



# THE INDEPENDENT

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WEATHER: Wintry sunshine

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THE TABLOID

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THE TABLOID

The new cockney in couture

ANALYSIS

The failure to halt TB PAGE 12

## No new taxes? Read his lips

Brown pledge over rates leaves door open for future increases

Anthony Bevins  
Political Editor

Gordon Brown yesterday ruled out any increase in the basic or top rates of income tax – or any extension of value-added tax – while leaving the back door wide open for other tax increases.

In a London speech designed to kill Labour's image as the tax-and-spend party, the Shadow Chancellor said: "A Labour government will not increase the basic rate of tax."

"It is because we understand the importance of work that there will be no return to penal marginal rates at the top. As a signal of the importance we attach to rewarding work, I want to make clear that I will not increase the top rate of tax."

Having confirmed the current basic rate of 23p in the pound and the top rate of 40p, Mr Brown repeated his hope of getting a new lower rate of 10p for low-earners.

But in a careful – and calculated – escape clause, he also said: "I will not make blanket commitments on each and every one of more than 200 tax exemptions, reliefs and al-

lowances in the system, before we know all the economic circumstances we will face, including the true state of the public finances."

A Conservative source said last night that Mr Brown had closed off "no tax-raising options – out of 200 – leaving the irresponsible impression that he was not planning to increase the tax burden."

That Conservative point was underlined by the fact that the present Government has repeatedly used tax allowances to squeeze more revenue out of the system. The rate of mortgage interest tax relief has been reduced, tax relief for profit-related pay is being phased out, and the married couple's allowance was frozen in the 1991 Budget.

But the point was also made by a senior Labour source that while Mr Brown had provided reassurance about Labour plans for income tax rates – he had left himself the "flexibility" to increase taxes.

"He has not boxed himself in," The Independent was told. "If he had said there would be no change in tax, it would not have been credible."

The speech – in which Mr Brown confirmed that Labour would stick to Tory spending limits in its first year of office, and maintain curbs on public sector pay – triggered strong reaction from across the political spectrum.

Kenneth Clarke, the Chancellor of the Exchequer, said: "Hell will freeze before Gordon Brown could control spending and keep tax down."

"We know that New Labour have made pledges worth £30bn in the next Parliament. They have not withdrawn any of them. But time after time in this Parliament, New Labour have shown that they would increase spending and would have to put up taxes to pay for it."

Opposition parties, ranging from the Liberal Democrats to Plaid Cymru, also attacked the plans, dismissing them as "daft and irresponsible promises" and "punishing widows and pensioners". The Labour left-winger Ken Livingstone warned that Mr Brown might have to raise the top rate of tax to kill a consumer-led boom, and he said that 90 per cent of Labour MPs believed the tax system Mr Brown planned to keep intact was unfair.

Rodney Bickerstaffe, general secretary of Unison, said: "If the Labour Party say what they mean and mean what they say, and are committed to real social justice, attention will have to be given to the low paid and this will inevitably include public service workers. We ask for no favours. We ask for fairness."

But Mr Brown said: "With Labour, all public sector pay agreements must be financed from within the agreed departmental cash limits. Just as we will resist every other unreasonable demand on the public purse, we will resist unreasonable public sector pay demands."

He also promised "a comprehensive spending review" that would take a long-term and strategic view of public spending – to shift the balance from consumption to investment, from welfare to education.

"We reject the old Labour litmus test on spending," Mr Brown said: "that increasing the overall level of spending is proof of our socialist commitment."

As for the possibility of increasing taxes, Mr Brown said: "We must have a fair tax system that treats individuals in an equitable way, not tolerating wide differences of treatment for individuals or companies in broadly similar circumstances."

"It also means fair treatment of men and women as individuals, and that over their lifetime individuals with similar incomes pay similar amounts of tax."

Mr Brown repeated Labour's commitment to a crack down on high earners "who abuse the tax system using scams, loopholes and dodges".

Leading article, page 11  
Donald Macintyre, page 13



Rising expectations: Gordon Brown (centre) in a lift on the way to give his speech yesterday

Photograph: Brian Harris

## Mr Responsibility he may be, but we could all still pay more



by Diane Coyle  
(Economics Editor)

His speech made it clear, if anybody still doubted it, that responsibility is Gordon Brown's middle name. He wanted to hammer home once again the idea that New Labour is not going to tax more to spend more. Yesterday's dramatic announcement was his biggest hammer-blow yet, leaving many observers reeling.

But could Labour deliver five years of government without any tax rises? Could any government? There was plenty of City scepticism about Mr Brown's pledge to stick to the current spending plans for this financial year and to the expenditure total already set for 1998/99.

Steven Bell, head of research at Deutsche Morgan Grenfell, said: "They are painting themselves into a corner. We have never even believed the Conservatives could keep to these spending plans." Pamela Meadows, director of the Policy Studies Institute, said Labour were "raising expectations about health and education which they will have an enormous amount of difficulty in satisfying if Mr Brown sticks to what he said in his speech".

The City attributes Kenneth Clarke's success in meeting his spending targets for the last three years to the freezing of public sector pay – possible thanks

to low inflation. Labour will find it very hard to deliver the same deal.

Given that the national debt has doubled under Mr Major's time as Prime Minister and the Government's plans to cut borrowing are already considered over-optimistic, many City experts think higher taxes are a near-certainty after the election.

Labour clearly cannot admit this logic and agree now that the government finances are in a mess. But Mr Brown is well aware of the danger of Labour promising something in the heat of the election campaign that it cannot deliver afterwards.

This was the trap that caught out the Tories on tax in 1992, doing their cred-

ibility huge damage ever since. Yet now, five years on, Labour has made this new and dramatic pledge at a time when the public finances are in a precarious state and the current spending plans unrealistic. How does the Shadow Chancellor try to escape this dilemma?

The most important thing is that Mr Brown, despite the bold rhetoric, has not actually promised not to increase taxes if the public finances require it. There are other ways. Labour has ruled out neither reducing tax breaks such as mortgage interest tax relief, nor increasing company taxation.

To judge from the City reaction yesterday, few of Labour's old enemies in the financial markets query its underlying fiscal prudence. Indeed, many people in the markets now predict that the pound would fall if it looked like the Conservatives could snatch an election victory, because investors think Chancellor Brown would be more cautious in setting interest rates and government borrowing than Chancellor Clarke.

It is a thought to delight New Labour strategists. But there is another thought for the rest of us to chew over: unless there are serious spending cuts then, whoever wins, and whatever they say now... taxes will probably rise.

### Labour's loopholes

■ The shadow Chancellor Gordon Brown pledges yesterday not to increase income tax during the lifetime of the first Labour parliament left several loopholes for future tax increases.

■ While he also pledged not to extend the scope of value-added tax, he was careful to leave the way open for tax increases through the 200 tax exemptions, reliefs and allowances – like mortgage interest tax relief.

■ He renewed the party's commitment to treat individuals in an equitable way, and to ensure that the tax burden is based on an ability to pay, along with a crackdown on the minority of high-earners who abuse the system using "scams, loopholes and dodges".

■ Mr Brown also threatened specific action against wealthy individuals who avoid paying tax on estates worth more than £1m, and companies making billions who escape their fair share of tax by using offshore tax havens.

### THE INDY EIGHT

Q What will happen to taxes under Blair or Major?

Q If things go badly, would the Tories take us out of Europe?

Q Will Blair back voting reform if he wins?

Q Would Labour take Britain into a single currency?

Q Will the parties spend more on schools – and who loses?

Q Would Ashdown keep Blair in power without PR?

Q Can Labour match the Tory pledge on NHS cash?

Q What do the parties mean by radical reform of welfare?

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## Clinton calls for a new spirit

Rupert Cornwell  
Washington

Demanding that the United States rise above race, partisanship and intolerance, President Clinton yesterday urged reconciliation on a divided Congress, and a "new spirit of community" on his countrymen, as they moved together into the new millennium.

Speaking at the solemnest of all American settings, on the west terrace of the US Capitol immediately after having been administered the Oath of Office by Chief Justice William Rehnquist, Mr Clinton used the last inaugural address of the 20th century to call for a "land of new promise" that could draw full benefit from the information revolution changing human society. Coalescing on a bright but chilly day, he pleaded for Republicans and Democrats alike to work together. "The American people returned to office a President of one party and a Congress of the other," he said. "They did not

do this to advance the politics of petty bickering and extreme partisanship they plainly deplore." It was wrong "to waste the precious gift of time on acrimony and division".

But that exhortation will be tested within the next 24 hours. Two hours before Mr Clinton was sworn in, the Senate Foreign Relations Committee did indeed unanimously confirm Madeleine Albright as his new Secretary of State. But as early as today the House must vote on the recommended \$300,000 fine and ethics reprimand for the Speaker, Newt Gingrich – an occasion bound to have Democrats calling anew for his head, and Republicans speaking of a witch-hunt.

"Nothing big ever came of being small," the President insisted to the dignitaries close by and the hundreds of thousands gathered on the Washington mall beyond. He expounded familiar themes of personal responsibility and the need to overcome prejudice and Amer-



Solemn point: Clinton calls for 'land of new promise'

ica's "constant curse" of race. "These forces nearly destroyed our nation in the past. They plague us still." By their very nature, inaugural addresses are built upon grand phrases, not legislative fine print, and Mr Clinton's 20-minute speech was no exception. Centrist in tone, visionary in imprint, it sketched out a 21st century

America enjoying the fruits of the information revolution, in an era not of "big Government", but "a Government strong enough to give us the tools to solve our problems for ourselves."

In one sense, he summoned the shade of Theodore Roosevelt, the President credited with harnessing America's emerging industrial might to the common good at the start of this century. Yesterday Mr Clinton set himself the goal of adjusting the US to the era of the Internet and exploding information technology. But there were shades of his boyhood hero John Kennedy too, the "Land of New Promise" recalling the "New Frontier" of 36 years ago.

In keeping with the introverted national mood, foreign policy scarcely featured, beyond a re-statement of America's position as "the world's indispensable nation", and its commitment to spreading democracy around the planet.

Pageant for America, page 8

### QUICKLY

#### Government defeat

The Government was defeated by a majority of 94 in the Lords as peers backed a Labour move to ensure prior authorisation of police bugging by judicial commissioners. Page 6

#### Minister's denial

Andrew Mitchell, the social security minister and former whip, denied before a Commons committee that he tried to use his influence as a whip to subvert the inquiry into cash for questions. Page 2

#### Junk and no veg

Christmas dinner is now the one meal a year where many British children get an adequate intake of vegetables, according to research for the Cancer Research Campaign – because children are bullying their mothers into letting them eat only what they want. Page 3

#### Bank hostage

Hundreds of French bank employees have taken their boss hostage in protest at Government changes. Page 9



## news

## Why Labour's arithmetic is a lesson to us all

The young woman with the red power jacket, took out her mobile phone and spoke into it, framed by the large window with its panoramic view of Westminster. Gordon Brown was due to speak any minute, so there wasn't much time to sell shares, or buy securities.

We were gathered together in the Queen Elizabeth II Conference Centre, to be taken on the latest stage of Labour's exciting journey into power. This leg was to be run by the Shadow Chancellor and was headed, "Responsibility in Public Finance". Or why there's not going to be any money.

There was a strange crew around me. For a start, there were several smart young women organising things for Labour, one of whom actually sported a cleavage. In the brief



Prudence appeared so often that I began to wonder if she was Mr Brown's mystery woman

days of the Benn Supremacy, such a thing would have been unthinkable. The woman in question would have been hustled out with a pair of dungarees over her head.

Then there were members of the Labour Finance and Industry Group, a pleasant (if motley) bunch of the sort of industrialists who are against putting children down chimneys, and who are the equivalents – in puissance and numbers – of the Tory Campaign for Electoral Reform. They are the sort of folk who, when asked by the security guard at the metal detectors whether they have any coins in their pockets, blush and hand the man a tenner.

One of them was Greg Dyke, the millionaire who runs Channel 5, and who sports the giveaway New Labour uniform of a

truncated beard (see also Alistair Darling, shadow chief secretary). Nicola Horlick was too busy to attend.

Then there was a liberal sprinkling of think-tank folk, activist academics and left-of-centre know-alls.

The most prominent was Roger Liddle, a former SDP man, who pens a column each week in the *New Statesman* entitled "A Memo to" (followed by the name of a different shadow cabinet member).

Mr Liddle's pieces are reminiscent of those *Reader's Digest* articles entitled "I am John's prostate". In one of my favourite fantasies, the entire shadow cabinet pen a reply called "A Memo to Roger Liddle". It consists of two words. Then Gordon came to the lectern and delivered his

ground-breaking speech. It started with some of the usual codes, such as "we must transcend the old sterile battle" (we were wrong), and we must "move beyond the old battleground" (we were totally wrong).

"Now more than ever" (an inefficient Old Labour way of saying "now") there can be "no taxation without information, justification or explanation" (which beats just "representation").

Labour, when it came to power, would be rigorous, efficient, tough, strict, sensible, fair and prudent. (Prudence put in so many appearances that I began to wonder whether this wasn't the name of Mr Brown's mystery woman. Meet the firm – but fair – Prudence Rigour, the strict lady from Pitloch-

tough. She, like her fiancé, would grip things effectively, tackle things efficiently, and every item of household expenditure would have to be justified.)

But wait, I hear you cry, what's the point in Labour if it isn't going to lash out with tons of money? Well, as Gordon said, "what matters now is not how much government spends, but how the money is spent"; a line I must remember for my impending negotiations about pocket money with a firmly Old Labour seven-year-old.

"Rosa, it doesn't matter how much I give you," I shall argue sternly. "What matters is how you spend it." "But Daddy" she'll reply, "that's not the kind of maths they teach us at school." Exactly.

## significant shorts

## Baby girl stabbed in her pram

A baby girl was seriously ill in hospital last night after she was stabbed by a mentally ill attacker while in her pram in a shopping centre, police said.

Eyewitnesses said the man approached the child and her mother, as they shopped at the Bridgeway Centre in the Meadows suburb of Nottingham.

The man lashed out with a two-inch kitchen knife, badly cutting the girl's arm as her mother screamed for help.

The attacker ran off but was later arrested by police while the child was taken to Nottingham's Queens Medical Centre where her condition was "serious but not life-threatening".

## Catholic family escape hand grenade attack

A Northern Ireland couple and their five-month-old baby had a miraculous escape yesterday when a hand grenade exploded underneath their van.

The Catholic couple, with their child, were driving around Larne, Co Antrim, when the device went off directly beneath the passenger seat, where the mother was holding her baby.

Their lives may have been saved by the fact that the device was so elderly, the grenade reportedly dating back to the second world war.

The widespread assumption is that this was a loyalist attack. *David McKerrick*

## Sniffer dogs in Zoe search

Scotland Yard dogs trained to sniff out bodies yesterday joined a grim search for missing schoolgirl Zoe Evans.

Senior detectives ordered a renewed sweep of open land near the nine-year-old's home on the army housing estate at Warmistone, Wiltshire, after their decision to release her parents from custody, without charge.

Zoe's mother Mrs Paula Evans, 28, and her step-father Miles Evans, 23, an army driver, were last night staying at a secret address.

Inspector Geoff Hicks, spokesman for Wiltshire police, said: "After no sign of Zoe in 10 days, we are obviously very pessimistic about finding her alive – but our searches will continue."

## Sports-star bombs denied

Claims that British sports stars in mixed-race relationships were the intended targets of a neo-Nazi bombing campaign were denied yesterday by police in Denmark who have arrested seven fascist suspects.

Reports naming Sharron Davies, the former Olympic swimmer, Frank Bruno, the former world-heavyweight boxing champion, and Paul Ince, the footballer, as targets were described as "unfounded" by the detective in charge of the bombing investigation.

Seven Danes are facing charges relating to the interception of three letterbombs in Sweden and the seizure of three more in Denmark, all apparently intended for British victims. But Superintendent Ove Dahl said: "The packages that were seized were addressed only with post-office box numbers in Britain." *Steve Boggan*

## Minister denies subverting inquiry

Christian Wolmar  
Westminster Correspondent

Andrew Mitchell, the social security minister and former whip, yesterday denied that he tried to use his influence to subvert the inquiry into the Neil Hamilton cash for questions affair two years ago.

Mr Mitchell, who had been summoned to answer questions about his role in influencing the Hamilton investigation, told the standards and privileges committee that he had acted "properly" during his membership of the now-defunct members' interest committee. Mr Mitchell, then a whip, had been appointed to the committee in June 1994, in a highly unusual move since whips normally did not normally sit on such bodies.

Mr Mitchell said he had not realised that whips had never served on such a committee and did "not appreciate" at the time of his appointment that the committee was a quasi-judicial one. He said: "In hindsight, I have to say that I think it would be better ... if whips did not serve on such committees in future, both for the whip and in view of what has happened on this occasion."

This is the first time that an MP appearing before the committee has had to give evidence on oath, and Dale Campbell-Savours, a Labour member of the committee, pressed Mr Mitchell, stressing that he was giving evidence on oath.

Mr Campbell-Savours sug-

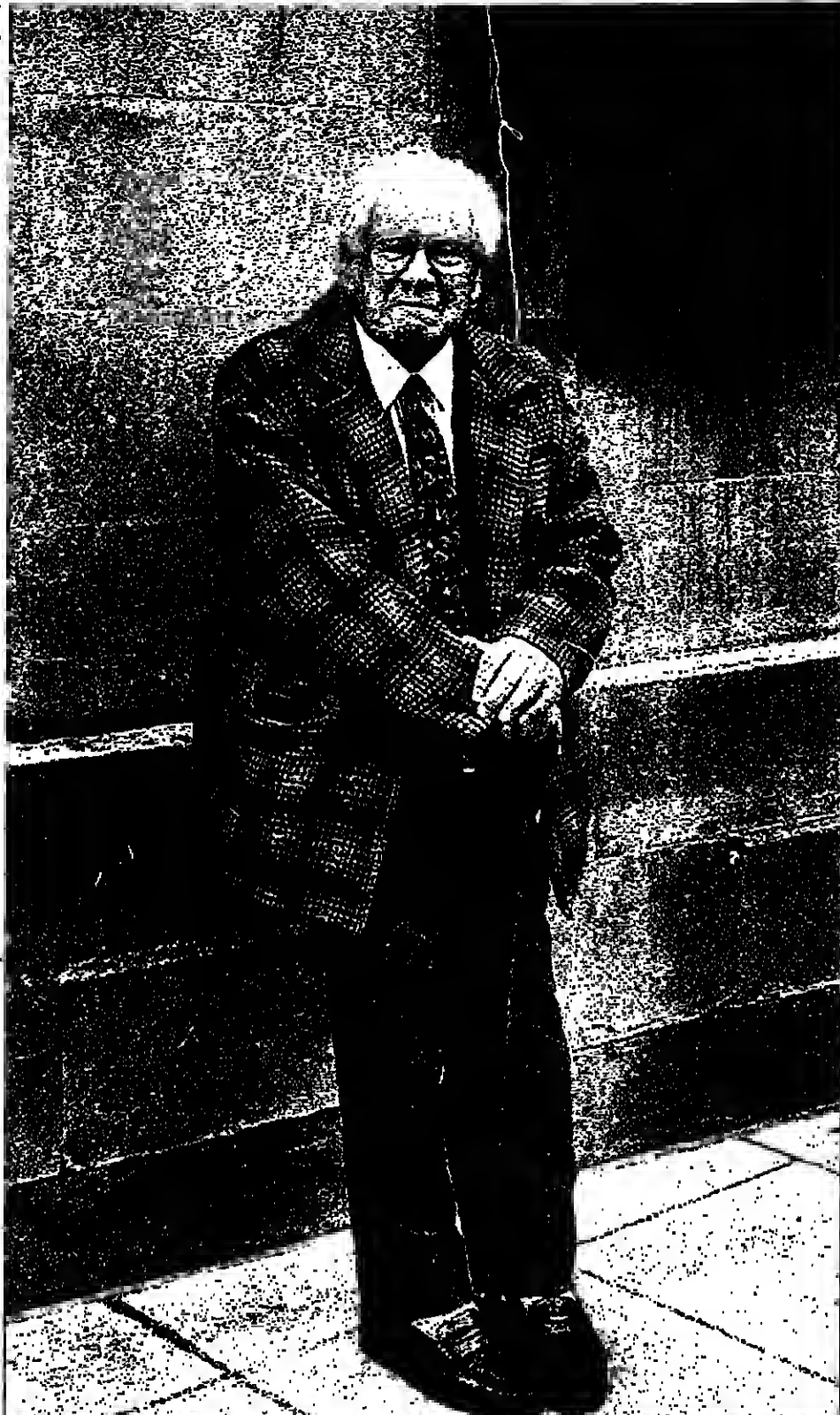
gested that it was strange that Mr Mitchell had not appreciated the role of the committee since the Hamilton affair had first come to light in May 1994, a month before Mr Mitchell's appointment to the committee.

Mr Mitchell replied that Mr Campbell-Savours was speaking with the benefit of hindsight and that no one had objected to his appointment to the committee, including Mr Campbell-Savours. "Any of 651 members could have objected. No one objected," he said.

Mr Mitchell, who is the second minister to appear before the committee the findings of which led to the resignation of the paymaster general, David Willetts, last month, is accused of passing on privileged information, obtained as a member of the committee, on to Richard Ryder, the Chief Whip.

He wrote a memo on 24 October 1994 to the Chief Whip after he had seen the Registrar of Members' Interests to ask him about the significance of an article in *The Independent* that day which suggested that Mr Hamilton had failed to declare an interest in consultant to the registrar.

The memo suggests the meeting was inconclusive and ends with the comment "not very helpful I am afraid" which, in a note to the committee, Mr Mitchell "refers to the fact that the Registrar's advice was inconclusive because the position was not clear one way or the other".



Stand-up role: Sir Peter Ustinov outside the Ustinov Studio Theatre, Bath, where a bronze statue designed by Sir Peter's son, Igor, was unveiled yesterday. Photograph: Geraint Lewis

## Balloon voyage ends in India

Charles Arthur

Tired and cold but with two world records to his name, the American balloonist Steve Fossett landed in a tiny Indian town yesterday – and renewed the competition to be the first to fly a balloon around the world.

Mr Fossett touched down yesterday at 7.40am GMT near Prithviganja, about 430 miles south-east of New Delhi, having flown almost 9,500 miles over more than six days – smashing the balloon endurance and distance records in his British-built Solo Spirit by about 4,000 miles and 90 minutes.

"I wish I could have made the biggest achievement and flown around the world," he said. "But this is also successful. It showed we are very close to being able to fly around the world."

He had to fight hard for his records: he spent the final night of his flight at 24,000ft over Iran, being buffeted by 120mph winds. The heaters inside the unpressurised cabin didn't work, the outside temperature was minus 27 Centigrade and the oxygen supply dried out his mouth. He had only about 12 hours sleep since taking off from St Louis, Missouri on January 13.

The former securities trader, now a full-time adventurer, was following the earlier failures of two rival teams – the three-man, £3 million Virgin Challenger, including Richard Branson, and a two-man team sponsored by Breitling.

Mr Fossett, 52, flew in a balloon costing about a tenth of the Virgin balloon, at a lower altitude, and alone. That imposed a drastic physical toll, even for a man who has swum the Channel and climbed the highest mountain in the US.

## Jail chiefs' U-turn over visitor searches

Ian Burrell

Prohibition Officers last night claimed the Prison Service had made a dramatic U-turn in the row over jail searching.

Jail chiefs have drafted new rules forbidding staff from running their fingers through the hair or searching inside the mouths of professional prison visitors. Officers are specifically warned not to touch the breasts of females.

The guidelines, drawn up by a senior prison official, Philip Wheatley, and seen by *The Independent*, follow a row in which the National Association of Probation Officers (NAPO) threatened to seek judicial review of the legality of what it called "intrusive" searching.

The Prison Service, anxious to meet targets set down in official security reviews following the Whitmore and Parkhurst prison escapes, has maintained

that the searching is necessary to prevent drugs or weapons being smuggled into jails.

NAPO believes that the policy has gone too far, leading to over-zealous searches of probation officers, social workers, lawyers and other professionals who need to visit clients in jail.

Last night it emerged that two women drugs workers were planning legal action after they were accused of being heroin smugglers and subjected to a full

strip search in a toilet in Liverpool prison. Sue Edwards, 35, and her colleague Carry Burton, 37, had gone to the jail to prepare a report on an inmate who was facing drugs charges and was being considered for rehabilitation treatment.

They have claimed that jail staff refused to acknowledge the authenticity of Edwards' ID and said she was really called Sue Rider, or "Heroin Sue", and was carrying drugs.

The women said the prison refused to contact their office to confirm their identities and called the police. They then asked the women to strip in a corridor behind some towels.

When the drugs workers refused they were told to go into a toilet accompanied by a female prison officer and a woman police officer. They were strip searched and no drugs were found. Both women were badly shocked by the episode, for

which they received no apology, and are bringing legal action against the prison through their union, Unison.

A copy of the new draft, "Core Entry Search Procedures", was circulated to chief probation officers last week. It will be submitted to ministers for approval.

Ann Widdecombe, the prisons minister, denied last night that the rules represented any kind of climbdown.

## THE INDEPENDENT ABROAD

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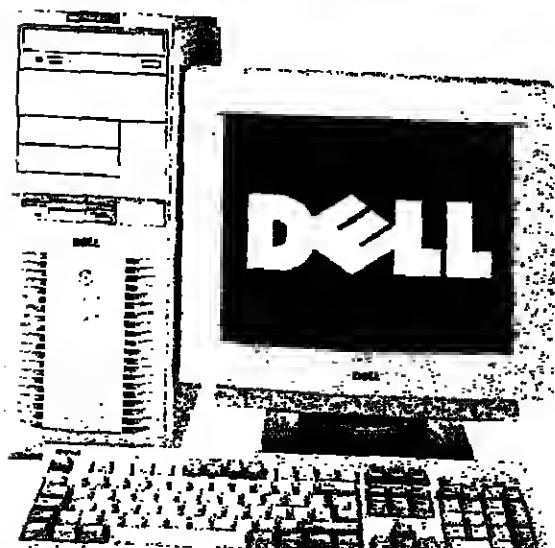
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- 1 The Lord of the Rings ..... J.R.R. Tolkien
- 2 Nineteen Eighty-Four ..... George Orwell
- 3 Animal Farm ..... George Orwell
- 4 Ulysses ..... James Joyce
- 5 Catch-22 ..... Joseph Heller
- 6 The Catcher in the Rye ..... J.D. Salinger
- 7 To Kill a Mockingbird ..... Harper Lee
- 8 One Hundred Years of Solitude ..... Gabriel Garcia Marquez
- 9 The Grapes of Wrath ..... John Steinbeck
- 10 Transcendentalism ..... Irving Weiss
- 11 Wild Swans ..... Jung Chang
- 12 The Great Gatsby ..... F. Scott Fitzgerald
- 13 Lord of the Flies ..... William Golding
- 14 On the Road ..... Jack Kerouac
- 15 Brave New World ..... Aldous Huxley
- 16 The Wind in the Willows ..... Kenneth Grahame
- 17 Wintour-The Poet ..... A.A. Milne
- 18 The Color Purple ..... Alice Walker
- 19 The Hobbit ..... J.R.R. Tolkien
- 20 The Outsider ..... Albert Camus
- 21 The Lion, the Witch & the Wardrobe ..... C.S. Lewis
- 22 The Trial ..... Franz Kafka
- 23 Gulliver's Travels ..... Jonathan Swift
- 24 The Hitchhiker's Guide to the Galaxy ..... Douglas Adams
- 25 Midnight's Children ..... Salman Rushdie
- 26 The Diary of Anne Frank ..... Anne Frank
- 27 A Clockwork Orange ..... Anthony Burgess
- 28 Sons and Lovers ..... D.H. Lawrence
- 29 To the Lighthouse ..... Virginia Woolf
- 30 If This Is a Man ..... Primo Levi
- 31 Lolita ..... Vladimir Nabokov
- 32 The Waste Land ..... T.S. Eliot
- 33 Remembrance of Things Past ..... Marcel Proust
- 34 Charlie and the Chocolate Factory ..... Roald Dahl
- 35 Of Mice and Men ..... John Steinbeck
- 36 Beloved ..... Toni Morrison
- 37 The Picture of Dorian Gray ..... Oscar Wilde
- 38 Heart of Darkness ..... Joseph Conrad
- 39 A Passage to India ..... E.M. Forster
- 40 Watership Down ..... Richard Adams
- 41 Sophie's World ..... Jostein Gaarder
- 42 The Name of the Rose ..... Umberto Eco
- 43 Love in the Time of Cholera ..... Gabriel Garcia Marquez
- 44 Rebecca ..... Daphne du Maurier

## 100 GREATEST BOOKS of the 20th CENTURY

### How many HAVE YOU READ?

- 45 The Remains of the Day ..... Kazuo Ishiguro
- 46 The Unbearable Automaticity of Being ..... Sebastian Faulks
- 47 Birdsong ..... Hilary Mantel
- 48 Howards End ..... E.M. Forster
- 49 The Englishman's Boy ..... David Almond
- 50 A Suitable Boy ..... Vikram Seth
- 51 Dune ..... Frank Herbert
- 52 A Prayer for Owen Meany ..... John Irving
- 53 Perfume ..... Patrick Suskind
- 54 Doctor Zhivago ..... Boris Pasternak
- 55 Gormenghast ..... Mervyn Pinfield
- 56 Elder with Rustle ..... Lian Hui
- 57 The Bell Jar ..... Sylvia Plath
- 58 The Handmaid's Tale ..... Margaret Atwood
- 59 Testament of Youth ..... Vera Brittain
- 60 The Magus ..... John Fowles
- 61 Brighton Rock ..... Graham Greene
- 62 The Ragged Dicks of Philanthropy ..... Robert Tresselt
- 63 The Master and Margarita ..... Mikhail Bulgakov
- 64 Tales of the City ..... Armistead Maupin
- 65 The French Lieutenant's Woman ..... John Fowles
- 66 Captain Corelli's Mandolin ..... Louis de Bernieres
- 67 Slaves of Solitude ..... Kurt Vonnegut
- 68 Zen and the Art of Motorcycle Maintenance ..... Robert Pirsig
- 69 A Room with a View ..... E.M. Forster
- 70 The Joy Luck Club ..... Amy Tan
- 71 The Englishman's Boy ..... David Almond
- 72 The Power and the Glory ..... Graham Greene
- 73 The Stand ..... Stephen King
- 74 All Quiet on the Western Front ..... Erich Maria Remarque
- 75 Paddy Clarke Ha Ha Ha ..... Roddy Doyle
- 76 Moll Flanders ..... Daniel Defoe
- 77 American Pastoral ..... John Updike
- 78 Fear and Loathing in Las Vegas ..... Hunter S. Thompson
- 79 A Brief History of Time ..... Stephen Hawking
- 80 James and the Giant Peach ..... Roald Dahl
- 81 Lark Chamberlain's Lover ..... D.H. Lawrence
- 82 The Bonfire of the Vanities ..... Tom Wolfe
- 83 Complete Cookery Course ..... Delia Smith
- 84 An Evil Cradling ..... George Orwell
- 85 The Rainbow ..... D.H. Lawrence
- 86 Owen & Quin in Paris and London ..... George Orwell
- 87 2001: A Space Odyssey ..... Arthur C. Clarke
- 88 The Thin Red Line ..... James Michener
- 89 A Day in the Life of Ivan Denisovich ..... Aleksandr Solzhenitsyn
- 90 Long Walk in Freedom ..... Nelson Mandela
- 91 The Silkworm ..... Richard Linklater
- 92 Jurassic Park ..... Michael Crichton
- 93 The Alexandria Quartet ..... Lawrence Sanders
- 94 Gav, the Beloved Gannet ..... Alan Paton
- 95 High Fidelity ..... Nick Hornby
- 96 The Van ..... Roddy Doyle
- 97 The BFG ..... Roald Dahl
- 98 Earthly Powers ..... Anthony Burgess
- 99 I, Claudius ..... Robert Graves
- 100 The Horse Whisperer ..... Nicholas Evans

If you haven't read all the 100 greatest books of the century (as voted by Waterstone's customers and Channel 4 viewers), you've still got something to look forward to. If you haven't read most of them, you've got some catching up to do. If you've hardly read any of them, welcome to the twentieth century.

For an indication of where you might like to start, try the thoughts of some well known names reviewing highlights of the list every evening this week at 7.55pm on Book Choice on Channel 4.

If the greatest books of the century are a source of riches, Waterstones, you'll be pleased to know, won't impoverish you. From now until the end of February, you can buy any four titles from the list for the price of three.

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# W

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## news

### Staff at fault for Manton school closure

Judith Judd  
Education Editor

A headteacher and the warring factions on his governing body are largely to blame for bad management at a school closed for eight days over one disruptive 10-year-old boy, says a report published yesterday.

The head and governors at Manton Junior School in Worksop, Nottinghamshire, were so preoccupied in fighting their own battles that children's schooling suffered, says the report from local authority inspectors.

While governors breached the confidentiality of meetings, the head, Bill Skelley, withheld information from them and tried to dominate meetings.

Last night, Mr Skelley's union accused Nottinghamshire county council of trying to make the head a scapegoat for its own failings and for those of the governing body. Staff at Manton went on strike last autumn after governors twice overturned Mr Skelley's decision to exclude Matthew Wilson.

The dispute ended when the boy's mother, who denied that he was disruptive, agreed that he should go to another school.

The report says: "Relationships between the head-teacher and the governing body are unproductive. The work of the governing body and the strategic management of the school have been adversely affected by lack of information to governors, mistrust, and too little involvement of governors in the life of the school."

The "development of factions within the governing body only served to worsen the situation."

The governors, say inspectors, are divided into those who feel they "are unable to make an effective contribution because of the domination of the head-teacher" and those who are "uncritically supportive of the head."

The balance of the governing body should be reconsidered because the recent resignation of some governors means that the majority are now strongly affiliated to the staff.

"Governors need to ensure that they are always acting on behalf of the children of Manton and not uncritically backing staff proposals."

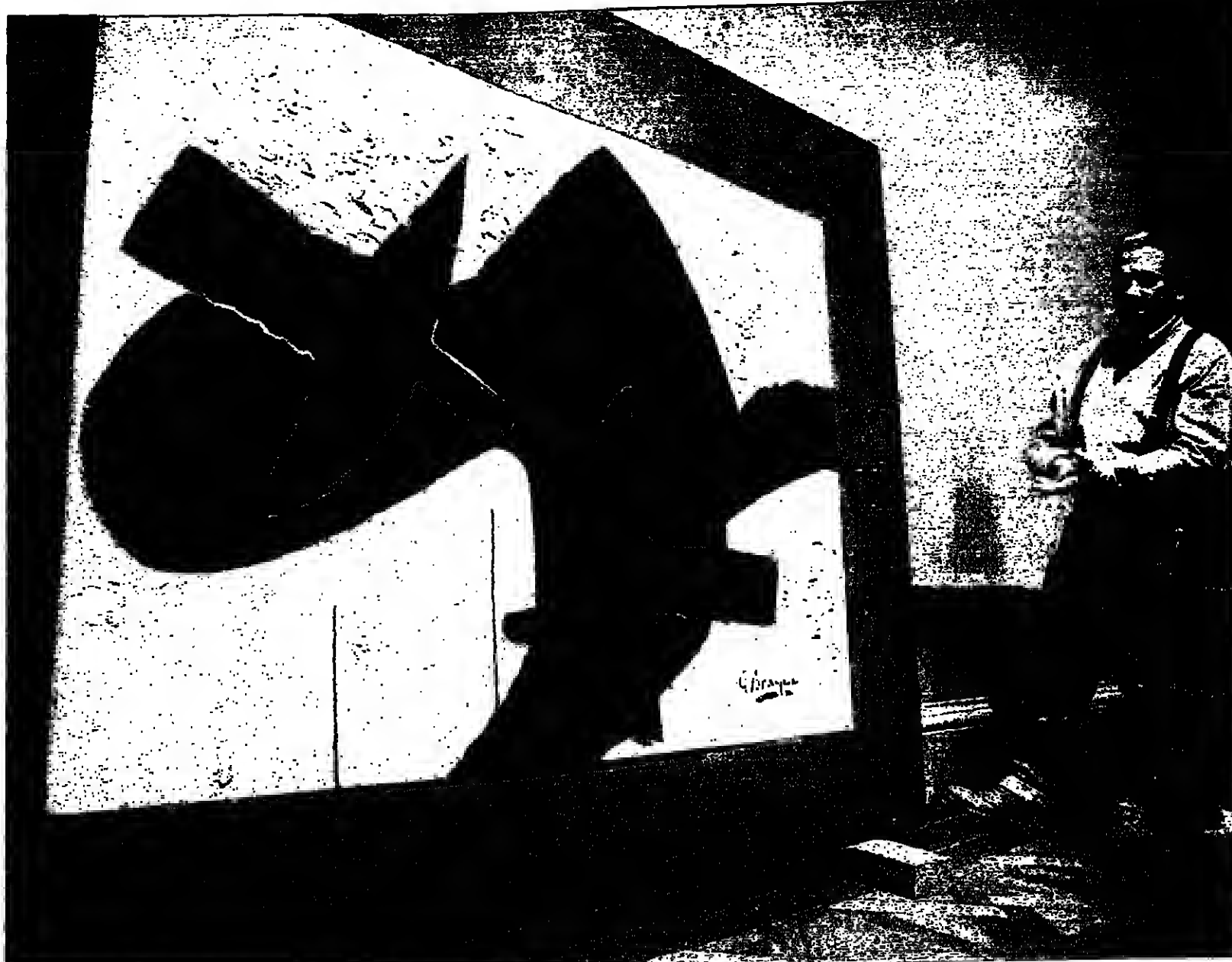
Pupil behaviour, which first brought the school into the limelight, is "sound and sometimes good". Discipline and bad behaviour outside lessons occurs because the school puts too much emphasis on punishment and control and not enough on praise and personal responsibility.

Relations between the head and staff are good, says the report, but it criticises them for insisting on retaining the maximum number of teachers to keep class sizes low. "This has benefited staff morale more than pupil achievement."

Douglas McAvoy, general secretary of the National Union of Teachers, said: "I am deeply disappointed with the tone and partial content of the inspection report, in particular the summary."

"The full report points to the generally sound school policy development and the significant progress made in the last two years under Mr Bill Skelley's leadership."

Nigel de Gruchy, general secretary of the National Association of Schoolmasters Union of Women Teachers, to which the school's eight classroom teachers belong, said: "The report confirms my impressions that classroom teachers were doing a good competent job in difficult circumstances."



Late show: *The Black Birds*, one of George Braque's later paintings, being hung at the Royal Academy of Arts in London in an exhibition of some 45 works from the final 20 years of the influential Cubist's career. The show runs from this Thursday until 6 April. Photograph: Nicola Kurtz

## Fashanu 'received £800,000 in betting syndicate deals'

Michael Streeter

The television presenter and former Premier League footballer John Fashanu received up to £800,000 in deals with the alleged representative of a Far Eastern betting syndicate, a court heard yesterday.

Christopher Vincent, a former business partner of the goalkeeper Bruce Grobbelaar, told Winchester Crown Court that Fashanu's payments were discussed after Grobbelaar had collected £40,000 in an elephant-skin briefcase from the former striker for allegedly fixing a match between Liverpool and Newcastle.

Mr Vincent told the court: "When we were leaving... Grobbelaar told me Fashanu had made somewhere between £400,000 and £800,000 doing business with 'the short man'."

Giving evidence on the fourth day of the trial in which



Fashanu: Denies accepting cash for match-fixing

Fashanu, Grobbelaar and the former Wimbledon goalkeeper, Hans Segers, are accused of fixing matches, on which the syn-

dicate betted. Mr Vincent said it was Fashanu who had introduced Grobbelaar to the Indonesian outfit.

"Mr Grobbelaar told me that he had been introduced to some men from the Far East by John Fashanu. They were prepared to pay him £1,500-£2,000 a week for predicting the outcome of football games."

Later, Grobbelaar told his fellow Zimbabwean that this had changed to fixing games - by ensuring Liverpool lost.

"I asked him how that was possible. He said he had been Liverpool's goalkeeper for 14 years and if he was standing a yard or a foot off his line, no one would know," said Mr Vincent.

Grobbelaar had told him he was unhappy about how much his club, Liverpool, paid him compared with new players such as Paul Stewart, and was particularly unhappy at his

treatment by Liverpool's then manager, Graeme Souness.

Mr Vincent said apart from the £40,000 paid to him at a north London address where Fashanu was present, he had been with the goalkeeper when he received payments of £1,000, £750 and £500 from a man he knew as "the short man" - whom the prosecution say is the fourth defendant, Heng Lim, allegedly the Indonesian syndicate's UK representative.

On the first of these meetings, Grobbelaar and Mr Vincent had waited in the foyer of the Hilton Hotel at Manchester Airport when the short man came in and Grobbelaar said: "That's my man". Later, Mr Vincent said Grobbelaar had received £1,000 in a brown envelope handed over in the girls' toilet.

The court heard that Grobbelaar and Mr Vincent had become close friends after the goalkeeper invested £65,000 in

a safari and golf-trip companies but had fallen out when the safari company collapsed in summer, 1994.

Mr Vincent said that he then contacted the *Sun* newspaper, which arranged for him to meet Grobbelaar in a series of videotaped interviews with Mr Vincent, offering him the chance of a new match-fixing syndicate.

Grobbelaar, 38, Fashanu, 33, and Malaysian-born Lim, 31, all deny giving or receiving money in a corrupt conspiracy to influence the outcome of a football match or as a reward for doing so.

Fashanu, Lim and 34-year-old Segers deny a similar charge. Grobbelaar denies a separate charge of receiving £2,000 as an inducement for influencing a football match.

Mr Vincent is at present in custody in connection with a charge on a separate matter. The case continues.

## Bank firm against Horlick claim

Jill Treanor  
Banking Correspondent

Nicola Horlick, the City pension fund manager, yesterday remained committed to her fight to win back her £1m-a-year job but her attempts seemed deadlocked as her former employer, Morgan Grenfell Asset Management, was equally strong in its resolve not to reinstate her.

Mrs Horlick grabbed the headlines last week for her acrimonious departure from MGAM, where she had worked for five years and earned a reputation as one of the City's top fund managers.

She was also known as Superwoman for her ability to combine her hectic family life - she has five children and an investment banking husband - and her demanding job.

John Farr, her lawyer, said yesterday she wanted to reach an amicable settlement with her former employer as soon as possible.

"Her first choice would definitely be to get her job back," said Mr Farr. But if this was not possible then compensation, expected to run to millions of pounds, is the alternative. If this fails she is likely to take legal action against MGAM for "constructive dismissal".

"If there is not a quick amicable solution, she has been constructively dismissed and we would be going to court. If there is going to be an amicable solution, it should be fairly quick - one would hope by the end of the week - otherwise we're probably into the legal proceedings route."

MGAM said it had not been contacted by Mrs Horlick and had no reason to communicate with her because she was no longer an employee. "The ball's in her court," a spokesman said.

The row broke out last Tuesday when Robert Smith, the chief executive of MGAM, suspended Mrs Horlick when he suspected she had been talking to a rival firm about moving there with her MGAM team. He had promoted her to his deputy the previous Friday.

She denied that she was planning any such move.

With a client list including Eurotunnel, British Aerospace, Lorrain and Allied Domecq, such luxuries are affordable. Cardew specialises in mergers and acquisitions and is used to playing the long game. This is fortunate, for it may take a long time for Nicola Horlick to repair the serious damage she has done to her credibility in the last few days.

Even Anthony Cardew admits to having a major image rehabilitation job on his hands. As he puts it: "It's like an oil tanker. It will take time to turn around."

Cardew & Co employs 30 people and heads up the second division of financial PR firms with an annual fee income of around £3.5m according to the trade journal *PR Week*. It was founded in 1991 when Cardew left Saatchi and Saatchi's PR subsidiary Gradfield Ruck. Collins in acrimonious circumstances. Its plush, classically decorated office near the National Gallery even has its own

her - with the help of her lawyers, who are said to be equally disturbed by her behaviour - to retreat from the limelight.

The 47-year-old head of Cardew & Co said yesterday: "Having made her case, Mrs Horlick has taken the advice of several people and is now maintaining silence, which is entirely sensible and proper. There have been some thrills and spills along the way which

## PR man's reputation in a tail spin

City publicist struggling to repair his own standing

these people were, and whether any of them are former colleagues at MGAM.

Still, Cardew is sticking by his newest and most unwieldy client, having finally persuaded

himself to stop his own chances of securing lucrative work in future from sinking as low as hers.

Piers Pottinger, of Lowe Bell Financial, spoke for many yesterday when he exclaimed: "I was quite amazed to see Anthony getting involved in these shenanigans, which won't do him any favours in the City. It's just not his style. Indeed, it's more Max Clifford than Anthony Cardew."

Mr Pottinger, a former colleague of Mr Cardew, suspects that he gave Mrs Horlick sound advice which she simply refused to take. Cardew confirms that he had never met her before she became front page news. He took her on "because several very senior people in the City asked me to."

Although said by associates to be "a real name-dropper", he was careful not to divulge who



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## politics

## Brown pledges 10p tax, but no top rate rise

This is an edited text of the keynote speech made by the shadow Chancellor in Westminster yesterday

Anthony Bevis  
Political Editor

"My approach is not to tax and spend, but to save and invest," Gordon Brown said in summing up Labour's new Exchequer doctrine yesterday. "I have an iron commitment to stability in public finances."

"We will not spend for its own sake, but according to our priorities. We will organise the tax system around clear principles and values. And I have shown that we will make tough choices where necessary, and do so on a fair basis."

"But let nobody be in any doubt that we build from this platform of stability for a purpose. We do this so that we can equip our country for a prosperous future and raise the growth rate of our economy."

"So that we can ensure for all the best educational opportunities and the skills to cope with change. So that we can give those denied work the employment opportunities they need."

"So that we can, in partnership with business, create the conditions for the long-term investment they need to succeed – and so that we can create a fairer and more just society, that ensures not just work and opportunity for those who need it but security for those denied it."

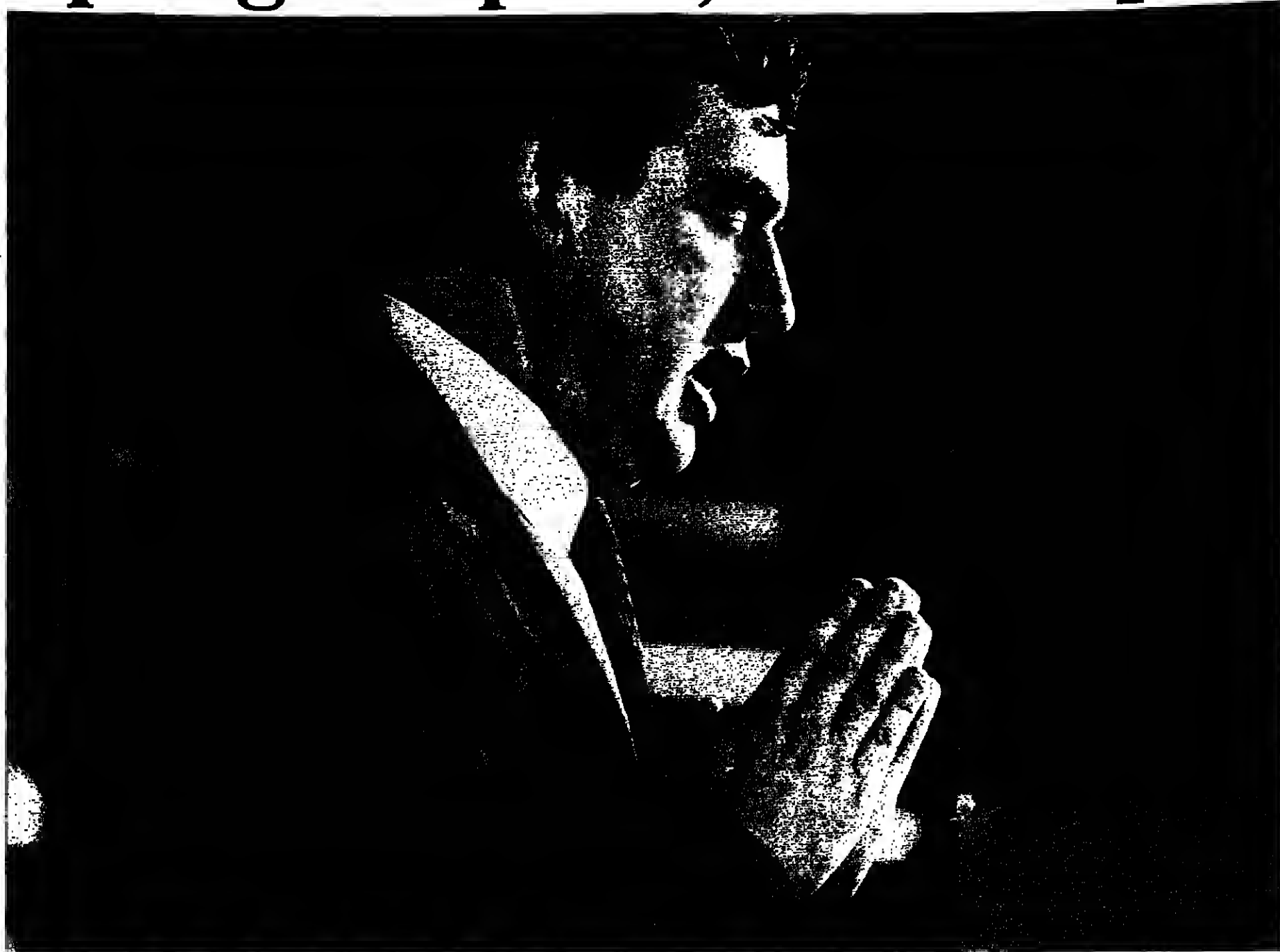
"It is through applying our principles and by building a new trust on tax and spending with the British people that Britain will be better off with Labour."

At the start of his keynote speech to businessmen at the Q&E centre in London yesterday, Mr Brown said: "Britain needs a new approach that recognises that government can best advance the public interest not by suppressing markets – the old Labour view – or simply succumbing to them – the view of the right – but by equipping individuals and companies to succeed within them."

"For the last 50 years this country has been held back by damaging cycles of boom and bust. The volatility has damaged the confidence that generates investment and is one of the key reasons why Britain has invested so much less than our competitors."

"Low inflation is a precondition of sustainable growth. And we can only succeed in ensuring low inflation and interest rates through sound public finances based on a fair approach to spending and taxation."

"In the past, Labour's correct



Planning a future: Shadow Chancellor Gordon Brown giving his speech at the Q&E conference centre in London yesterday

Photograph: Brian Harris

## Gurus spin a line in the future imperfect

Fran Abrams  
Political Correspondent

By the time Gordon Brown rose to his feet yesterday, the Labour Party had already issued its attack on the Tories' attack on the contents of his speech.

In the fevered world of pre-election politics, everything happens at least 24 hours in advance. By the time a big event such as a set-piece speech comes round, it has been in all the newspapers. As often as not, other political parties have already spoken out against it and the party making the announcement has come back with its own reaction to the reactions.

Readers of yesterday's *Independent*, for example, will have seen some sizeable chunks of Mr Brown's speech published verbatim on the front page.

Even though the shadow chancellor was not due to speak until yesterday, his spin-doctors had already fed a "line" on his tough stance on public-sector pay to the Sunday newspapers.

Left the daily papers should feel left out, the news about Labour's public-sector spending freeze was then given to them for Monday morning.

By Monday morning, therefore, much of that day's speech was public knowledge. So when Mr Brown spoke on Radio Four's *Today* programme he had to have yet another announcement to make in order to keep the broadcasters happy. He opted for the revelation – already widely trailed but not previously confirmed – that Labour has dropped its proposal to impose a 50-per-cent top rate of tax on people earning more than £100,000.

Now the party's spin-doctors must find something else for Mr Brown to announce next week, and the week after. There is still plenty to say, of course – full details of the party's tax plans are still to be seen, for example. But with a whole series of major speeches scheduled for the next few weeks, they are bound to have their work cut out.

commitment to the public interest has often led to a reflex commitment to more public ownership and increased public spending. No longer ... Before we can make any strategic decisions on public spending, we must be sure that existing resources are being spent as effectively as possible in advancing the public interest."

"In addition to ... responsibilities for law and order and defence, the decisions of a Labour government will be guided by our three priorities: encouraging investment for the long-term, expanding employment, and opportunity and fairness ...

"Labour will take a firm and fair approach to public-sector pay. Decisions will be made with a view to retain, recruit and motivate staff. But these must be made within tough cash limits. With Labour, all public-sector pay agreements must be financed from within the agreed departmental cash limits."

"Our programme requires no new spending commitments other than those financed by the windfall tax ... we will be making no new commitments in our manifesto which require additional spending."

"So our first Budget will not reopen

overall spending allocations for the 1997-98 financial year ... Each departmental minister will want to use their first year to work out with their departments and permanent secretaries how they can overhaul existing spending so that ... spending is reordered to meet Labour's priorities in the 1998-99 financial year ...

"The key to ensuring the decent services we all want to see and keeping the tax burden down is improving the performance of our economy, cutting the bills of failure and ensuring the public and private sector work together for Labour priorities ...

"We have already made it clear that our approach to taxation will be based on our values: that the tax system must encourage work and opportunity for all, it must encourage investment and it must promote a fair society ... after 22 Tory tax rises since 1992 which have hit hard-working families, I want to make clear that a Labour government will not increase the basic rate of tax."

"It is because we understand the importance of work that there will be no return to penal marginal tax rates at the top. As a signal of the importance we attach to rewarding work I

want to make clear that I will not increase the top rate of tax ... And just as it cannot be right that the highest earners in Britain face penal marginal rates of tax, so it is wrong that some of the lowest-paid face effective marginal tax rates of 80 or 90 per cent, and, in some cases, over 100 per cent."

"Labour wants to tackle the problem of penal marginal tax rates facing the low-paid by introducing a new lower starting rate of tax ... My tax-cutting ambition is to introduce a new lower starting rate of tax of 10 pence to encourage work and help all hard-working families."

## Peers vote down bugging powers

The Government suffered a defeat in the House of Lords last night as law lords and other peers united against measures in its Police Bill.

The House voted by 209 to 145 votes in favour of a Labour amendment which would require police to obtain prior consent before bugging or bugging homes or other premises. The Government then suffered another defeat on a Liberal Democrat amendment which would allow any one of 440 circuit judges to give the permission. Peers voted in favour of that measure by 158 to 137.

As ministers came under attack from every side in a debate on their Police Bill, Lord Lloyd of Berwick told peers that if it were passed as it stood it would be challenged in the European Court.

"What sense is there in passing a Bill which would be doomed under the European Convention?" he asked.

Ministers want police to be able to carry out their surveillance and bugging operations without having to seek permission to do so first. Labour, which originally supported the measure, was forced last week

to shift its position. Its spokesman argued at the Bill's report stage last night that police should have to seek permission in advance.

The former Labour prime minister, James Callaghan, said that when he was Home Secretary in the 1960s electronic and covert surveillance was unheard of. The Bill's proposal that police should be allowed to carry out such operations on their own authority was fundamentally wrong.

"When the security services have to secure a warrant to intrude on the premises of an enemy agent, I don't see why we should give less protection to our own citizens by not requiring chief constables to do the same thing," he said.

Lord Callaghan said such operations must have started in the 1970s. By 1977-78, in his last years as Prime Minister, between 500 and 600 operations were carried out, the House heard. Now the figure has risen to 1,300.

Baroness Blatch, Home Office Minister, said most peers seemed to be agreed that there was a need today to tackle serious crime in this way.

"The police are concerned at

the invasion of a person's privacy and don't take decisions of this sort lightly. It is the police themselves who have pressed the Government for some years now to put these activities on a statutory basis," she said.

But opposition parties want extra protection for individuals. Lord McIntosh of Haringey, Labour's Home Affairs spokesman in the Lords, said that the Bill still did not give enough protection to civil liberties.

"We are concerned not just that serious crime should be pursued but also that we should preserve the principle ... that an Englishman's home is his castle and that the officers of the State and the Crown have no right to intrude into that home without some independent justification and independent authority," he said.

The Government was also attacked by a former Conservative home secretary, Lord Carr of Hadley, who held the post from 1972 to 1974. He said he was "astounded" when he heard how many surveillance operations were now going on. A judge should make the decision he said. "If we were to allow it to go the other way I



Lord Callaghan (above) and Baroness Blatch



believe 20 years from now our successors would regard our allowance of it as something of which we should all be dreadfully ashamed," he said.

## Death of Labour MP pulls Tories back from brink

Anthony Bevis  
Political Editor

The death of the Labour MP Martin Redmond yesterday pulled the Government back from the Commons minority which was created by last week's death of the Conservative MP Iain Mills.

Mr Redmond, 59, was MP for Don Valley, in South Yorkshire. He had been suffering from cancer for some time.

Because Mr Redmond and Mr Mills have died so late in the life of the Parliament, neither

Don Valley, nor Mr Mills's Meriden constituency will be open for a by-election.

But there is continuing speculation about the timing of the Wirral South by-election – and its possible impact on the timing of a general election.

A MORI poll which was conducted for the *Sun* yesterday bore out local Conservative fears about Wirral South, showing a swing of more than 15 per cent from the Conservatives to Labour in the seat since the 1992 election, with Labour leading the Tories by 52 per cent to

36 per cent. Local Tories believe that the scale of the swing reflects the change in local population, with many new council Labour voters having moved "over the water" – the Mersey – and into the constituency, from Liverpool.

A Conservative promise that the by-election will not be held up means that it should be held on 6 March, the earliest possible date after the introduction of the new electoral register on 16 February.

There were two lines of speculation prompted by the MORI

findings yesterday: one, that the Prime Minister would call a 20 March general election in order to avoid an unrepresentative débâcle in Wirral South; or secondly, that he would stall a general election until the last possible moment, 1 May, in the hope that the humiliation of Wirral South might be forgotten, and that things might improve.

The death of Mr Redmond means the Tories now have the same number of voting MPs – 322 – as all the other parties combined.

## Alan Clark on road to Commons

Colin Brown  
Chief Political Correspondent

Alan Clark, the eccentric former defence minister in Margaret Thatcher's government, has cleared the first hurdle in his bid to re-enter the House of Commons.

The former MP for Plymouth Sutton is among six candidates to be shortlisted tonight to replace Sir Nicholas Scott in the Chelsea and Kensington con-

stituency. The final election will be held on Thursday.

But at Westminster, some MPs were tipping Patricia Morris, a financial consultant, who is highly regarded as a bright, gutsy speaker. Sarah Whitehouse, a runner-up to Archie Norman for the Sevenoaks seat, is also on the shortlist.

Winston Churchill and David Harris, both existing Tory MPs, did not reach the shortlist, but the other hopefuls include

Hugo Summerson, the former MP for Walthamstow, north east London.

A barrister and adviser to the Euro-sceptics, Martin Howe, is on the shortlist with a local councillor, Daniel Moylan. Mr Howe is a nephew of the former Chancellor, Lord Howe.

Meanwhile, the party leadership is preparing for Sir George Gardiner to be sacked as Tory MP for Reigate by his constituency. Sir George, a

leading Euro-sceptic and former leader of the Thatcherite 92 Group, survived one attempt to oust him by his constituency last year after the Chief Whip, Alastair Goodlad, and other senior figures in the party rallied round to his cause.

A senior source last night said there would be no attempt to help Sir George a second time. "It's now entirely up to his constituency, but we are not helping."



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# Anglican rebels to appoint their own bishops

Andrew Brown  
Religious Affairs Correspondent

The schism in the Church of England over the ordination of practising homosexuals widened yesterday when Reform, a conservative evangelical group, announced plans to create its own bishops and to plant its own churches outside the Church of England that would be "legally independent but theologically connected".

"We intend to use the structures of the Church of England in its institutional forms where they forward the Gospel," the group announced. Reform, which claims as members 600 priests out of the 10,000 who belong to the Church of England, did much to organise the protests against the service last autumn at Southwark cathedral in south-east London to mark the 20th anniversary of the gay Christian movement. The group condemned the service as "a blasphemy".

Reform is also opposed to women being ordained as priests, on the grounds that the Bible mandates patriarchy. For several years the group has been moving in the direction of setting up a quasi-independent church - first by withholding money from diocesan funds, secondly by threatening to train candidates for the priesthood who would continue Reform's beliefs, and now by creating their own bishops, who could in turn ordain priests.

Such bishops would be illegal under English law, but their ordination would be valid. It is difficult to see what sanctions the Church of England would take against them.

Although Reform represents a tiny minority in the General Synod - where it has fewer than 16 seats out of 560 - it operates from a base of large and prosperous conservative evangelical churches, some of whom are already withholding payments from diocesan funds.

When asked whether this is not splitting the church, leaders reply that it is the other side doing the splitting.

In a statement announcing their plans for new bishops, the group says: "We ... are the Church of England. Our parishioners are seen to be the embodiment of the doctrine that defines and constitutes the Church of England. Reform is not, therefore, a Church within the Church. We are not about to 'leave the Church of England'." The statement continued: "We define the Church of England not by bishops and synods, but, as it is established, by the Bible, the creeds and the canons."

Reform is vague about when the proposed bishops might be consecrated. It sees their deployment as a final step if the Archbishop of Canterbury, Dr George Carey, refuses to grant their request for a "flying bishop" who would share their theological views. The two "flying bishops" so far appointed to minister to the opponents of women priests have been Anglo-Catholic, and disagree with Reform on almost everything except the undesirability of women priests.

Dr Carey is unlikely to accede to this request. Last autumn he denounced "bullying loud-mouthed controversialists" in the Church; this attack was aimed at Reform.

Many of the Reform parishes are already in dispute with their bishops: one, in south London, has asked for the episcopal oversight of the Bishop of Fulham, an Anglo-Catholic opposed to women priests, rather than the evangelical bishop of Southwark, the Rt Rev Roy Williams.

No official comment was forthcoming from the Church of England to this latest threat from Reform. Dr Carey is on sabbatical in the United States, and cannot be reached because the electronic mail system on his computer is broken.



Toast of Paris: John Galiano receiving a standing ovation following the presentation of his first collection yesterday for Dior

Photograph: Ben Elwes

# The Englishman who stormed Paris

Tamsin Blanchard

Galliano's Dior collection feted as finest since the New Look

Not since Dior's New Look was shown 50 years ago has the couture house been so feted as it was after John Galiano's first collection yesterday.

The designer was greeted with a tumultuous standing ovation after the show at the Grand Hotel in Paris. The world's couture collectors, from Nan Kempner to Galliano champion Sao Shalunberger, looked on in awe, barely able to control their mental shopping lists. And the Duchess of York, there in her new capacity as fashion commentator for *Paris Match*, sat sandwiched between Marisa Berenson, Charlotte Rampling and Beatrice Dalle, conducting her own media circus. The clothes, rather than Gal-

lano's usual theatrics, stole the show. There were magnificent pieces, including structured, hourglass hound's-tooth suits, Last Emperor Chinese black-satin crepe evening dresses in lime green and old rose, beaded corsets inspired by Masai warriors worn over *belle époque* dresses with exaggerated padded bottoms, and fantasy ball gowns of embroidered duchess satin with yards of frothy net skirts. There was as much Dior as there was Galliano.

In 1947, when the 42-year-old Christian Dior showed his New Look, the wide hems of sweeping skirts and the opulent femininity shocked war-torn on-lookers. The look was not new,

but harked back to an age when women like his mother were laced tightly into corsets. Galliano shares the same vision of women. And his New Dior has made him not only the toast of the fashion world, but also of the couture grandmothers who buy.

Only a year ago, Galliano showed his first couture collection for Givenchy, which, like Dior, is owned by LVMH (Moët Hennessy Louis Vuitton). Bernard Arnault, chairman of the luxury goods conglomerate is the man responsible for forcing couture to move forward. It is he who has bought John Galliano, Alexander McQueen and the American Marc Jacobs to Paris. The job at

Dior is a plum post because the house is a money machine.

In 1949, 75 per cent of all French fashion exports were licensed to Dior. The house was first to seize upon the potential of selling affordable spin-offs to wider markets like to Japan and America. Miss Dior was, along with Chanel No 5, one of the world's best-selling fragrances. Because of that, the company, with its licences for scarves, sunglasses, ties, and cosmetics, has grown to today's turnover of over £1bn a year. About £705m in 1995 was from perfume sales alone (about five times the sales of the fashion house itself).

By hiring oen creative blood in the form of Galliano and Mc-

Queen, Mr Arnault has effectively declared war on the other couture houses of Paris, namely Chanel, the company that actually makes money out of selling haute couture. The change in pace of Paris couture has been inevitable since Galliano was hired for Givenchy. Before that, it was assumed that haute couture was dying out, along with its handful of monstrously wealthy clients. Chanel's Karl Lagerfeld has welcomed the competition, and has managed a spot of espionage by poaching Galliano's creative support and muse, Amanda Harlech, who has been at his side for the past 12 years. In November, when Lagerfeld

offered her more money than she could sanely turn down, she swapped allegiances. He shows his collection today.

Ready-to-wear designers are also keen to get in on the act. Jean Paul Gaultier showed his first couture collection on Sunday night before an audience that included Elton John. Thierry Mugler shows his first couture collection tomorrow.

With the retrospective exhibition for Dior currently on show at the Metropolitan Museum in New York, and the publicity surrounding Princess Diana in the first Galliano for Dior dress at the private view, Mr Arnault will be rubbing his hands in glee. Not only will the Dior name hit the headlines, the clothes themselves will be the most sought-after of the season.

MP pulls  
m brink

o Commons



Brenda Blethyn: Winning role in *Secrets and Lies*

# British films scoop Hollywood's golden honours

David Lister  
Arts News Editor

Brenda Blethyn, the star of Mike Leigh's film *Secrets and Lies*, led a night of British triumphs at the Golden Globe Awards in Hollywood.

The awards, decided by the Hollywood foreign press association and often seen as a pointer to the Oscars, saw Ms Blethyn win best dramatic actress for her role as a white working-class mother traced by the black daughter who she gave up

for adoption at birth in Leigh's richly comic and poignant tale.

Winning her first Hollywood award at 50, Ms Blethyn, a secretary for 10 years before she became an actress, said at the ceremony at the Beverly Hilton hotel: "Crikey, I'm happy to be in the building, never mind standing up here."

In a night of wins for Britain, *The English Patient* - based on Michael Ondaatje's 1992 Booker Prize winning novel - directed by Anthony Minghella and starring Ralph Fiennes, won two

awards: best motion picture drama and best original score.

Awards for performances on American television saw three British stars pick up the top honours. Helen Mirren won best actress in a mini-series, for *Losing Chase*; Alan Rickman won best actor in a mini-series, for *Rasputin*, and Sir Ian McKellen won best supporting actor, also for *Rasputin*.

*Evita*, directed by Alan Parker, won three awards, including best motion picture musical. Andrew Lloyd Webber and Tim

Rice received an award for best original song with "You Must Love Me", the one new number that the pair composed for the movie. And the star, Madonna, won her first Globe for best actress in a musical.

Madonna, who became pregnant while making the film, said at Sunday night's ceremony: "I have been very favourably blessed this past year and I have much to be thankful for. Making this movie was an incredible adventure for me."

Hollywood's awards season with a definite accent on films made abroad. Geoffrey Rush won best dramatic actor for the Australian film *Shine*. The Golden Globe for best foreign language film went to the Czech Republic's *Kolya*.

One of the biggest cheers of the night came when the best supporting actress award was won by the now veteran star, and widow of Humphrey Bogart, 72-year-old Lauren Bacall. Astonishingly, it was the first major award she had

won. Bacall, who played the possessive mother of Barbra Streisand in *The Mirror Has Two Faces*, waved her Golden Globe aloft to hoots of joy as the audience rose to its feet.

"I'm in a state of shock," she said. "This is the first time I've been nominated for an award in any role."

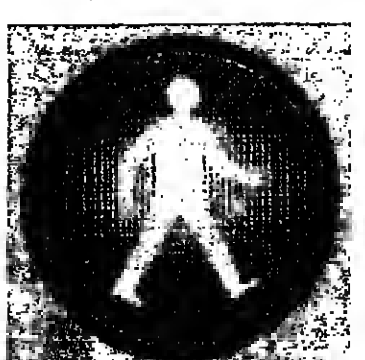
Dustin Hoffman received a lifetime achievement award, presented to him by his fellow actor Tom Cruise, who himself picked up a statuette for best comedy actor in *Jerry Maguire*.



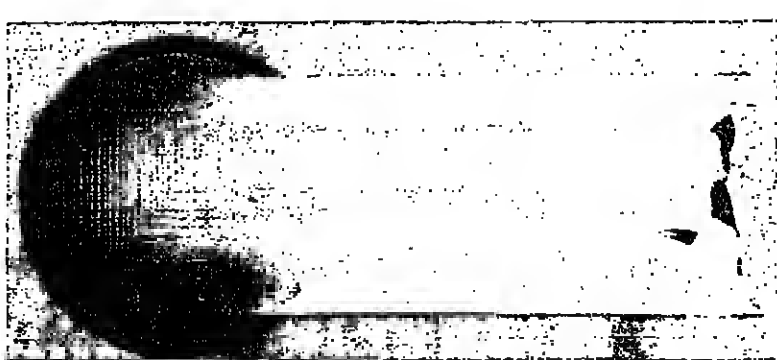
Alan Rickman: Best mini-series actor for *Rasputin*



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## international

## Europe urges Annan to reform the UN



Annan: Mission to extract \$1bn in US payments

David Usborne  
New York

The European Union is to urge the new Secretary General of the United Nations, Kofi Annan, to take swift and aggressive steps to overhaul the organisation's sprawling web of departments, agencies and specialised funds, if necessary merging some with each other and eliminating others altogether.

The proposals, that have emerged from months of debate between EU governments most recently at foreign minister level, are contained in a 25-page memorandum obtained by *The Independent*. The document will be presented today to Maurice Strong, the Canadian industrialist who was appointed by Mr Annan at the weekend to

bring together an overall reform package.

While the memorandum, which is still classified, is far-reaching in its suggestions for change, it contains repeated warnings that reform at the UN should not be equated with cutting the organisation's budget. The references are meant to put distance between the EU and those voices in the United States, most of them Republican, seeking to strip away UN resources. "The reform of the United Nations is not about cost-cutting," it insists.

In what promises to be a critical week, Mr Annan tomorrow begins a visit to Washington, where he will meet for the first time as Secretary General with President Bill Clinton and members of the Congress. Mr

Annan must try to persuade members of Congress of his commitment to reform while convincing them to release the more than \$1bn in late payments due the UN from the US.

Mr Annan hopes to have a complete package of reform proposals ready by the summer. Mr Strong, 67, who also acted as an adviser to the last Secretary General, Boutros Boutros-Ghali, will head a task force of advisers on reform. Its other members will include Gustave Speth, the head of the United Nations Development Programme (UNDP), who last year caused controversy by asking that all UN development and humanitarian bodies be streamlined grouped under his own.

The EU document, which is restricted to addressing UN social and development activities, notably borrows heavily from the controversial Speth proposals.

Where the need for rationalisation is clear, the paper said, the "Union considers that funds and programmes so assessed could be merged... the assessment should extend to all funds and programmes".

In a nod to Mr Speth's allusion to a new umbrella role for his agency, the paper adds: "While fully open to dialogue on best ways forward in this respect, the EU considers that the UNDP could provide a focus for enhanced co-ordination in this area".

Both Mr Speth and Mr Strong have voiced on the record their support for closing down some of the less obviously useful UN agencies such as the UN Industrial Development

Organisation in Vienna (from which Britain has just withdrawn) and the UN Conference on Trade and Development.

The EU also calls for the creation of a new Under-Secretary General who would take overall responsibility for all UN social and development activities. This person would act as Executive Secretary to the Economic and Social Council, the overarching committee of all UN members that oversees all development matters and which would itself be radically streamlined and pared down.

The EU would also like to see the establishment of a single UN headquarters in each country where the UN is represented. At the head of each would be a single UN representative, responsible for co-ordinating all UN efforts in that country.

## significant shorts

## Yeltsin due to move home to recuperate

Boris Yeltsin was last night due to leave hospital and move to his residence outside Moscow where he will continue to recuperate from double pneumonia, his spokesman, Sergei Yastzhebnsky, said. But he declined to say when the President, who was admitted 13 days ago, would resume work in the Kremlin.

Although Mr Yeltsin's doctors have made clear he needs three weeks to return to health, Mr Yastzhebnsky said he may "possibly" go ahead with a trip to The Hague on 4 February after meeting the French President, Jacques Chirac. *Phil Reeves - Moscow*

## Mexicans flock to 'Bright Star' wedding

With thousands of fans crowding outside, millions watching on television and blessings from the Pope himself, Mexico's most popular stars got married in one of the country's biggest weddings ever. Archbishop Norberto Rivera Carrera - the Roman Catholic primate of Mexico - officiated at the nuptials of Lucero, an actress-singer known by her first name, which means "Bright Star," and the singer-actor Mamel Mijares. *AP - Mexico City*

## Coups trial opens

The trial over the killing of Bangladesh independence leader Sheikh Mujibur Rahman opened, more than 21 years after his death in an army coup. Lawyers said six of the 25 people accused of involvement in the killing of Mujib appeared in court, including three ex-army officers. In all 32 people, including Mujib, his wife and three sons were killed on 15 August 1975, in the country's first army revolt. *Reuters - Dhaka*

## Mudslide kills family of four

A waterfront house in Washington state with a view of Seattle's skyline was pushed into Puget Sound by a mudslide, killing a family of four. The mudslide slammed into the back of the three-story house. Melting snow from storms late last month and last week's steady rain have saturated area hillsides on the island west of Seattle. *AP - Bainbridge Island, Washington*

## Abortion clinic bombed

Two bomb explosions rocked an abortion clinic in Tulsa, Oklahoma on Sunday, just three days after six people were injured in a similar attack on a clinic in Atlanta, Georgia. The two bombs exploded seconds apart just outside the Reproductive Services of Tulsa clinic. *Reuters - Tulsa*

## Berlusconi judge quits

The year-old corruption trial of Italy's former prime minister, Silvio Berlusconi, was thrown into disarray when the presiding judge stepped down in a row over allegations of bias. The decision by judge Carlo Crivelli meant the trial in Milan, at which Mr Berlusconi and 10 others are charged with complicity in corruption, might have to restart from scratch. *Reuters - Rome*

## Lover's reptile revenge

A jilted Indonesian woman released six cobras in a crowded karaoke bar in central Jakarta to teach her former boyfriend, who worked there, a lesson. The woman accused her former lover, identified only as Tu, of having an affair with a colleague, said Indonesia's news agency. The woman and the cobras were taken into police custody. *Reuters - Jakarta*

## Solana silent on Nato talks

A silent Javier Solana, Secretary-General of Nato, flew out of Moscow last night after five hours of negotiations with Russia's Foreign Minister, Yevgeny Primakov, over the alliance's plans to expand eastwards. Talks were held in a secret location outside Moscow. Mr Solana left Russia without comment, while the Kremlin said the talks were merely a "prologue". In an effort to soothe Russian opposition to the alliance's planned expansion, Nato is believed to be offering a consultative role to Moscow over security and arms control issues, as well as more economic assistance. *Phil Reeves - Moscow*

## Megawati blocked

Officials blocked Indonesia's pro-democracy leader from running for re-election to parliament, issuing a final list of candidates for voting in May that excludes Megawati Sukarnoputri and her supporters. The list of candidates approved by election officials includes four of President Suharto's children, his half-brother, a daughter-in-law and a cousin. Ms Megawati's removal as leader of an opposition party last year led to anti-government rioting. *AP - Jakarta*

## New spy body for Japan

Japan launched its biggest spy agency, a unified military group, ending decades of fragmented intelligence gathering and reliance on information from Washington. The Defence Intelligence Headquarters (DIH) brings under one umbrella group the five separate intelligence units of the army, navy, air force, the Defence Agency (ministry) and the Japan Military Joint Staff Council. The 1,660 DIH staff will dwarf the 300-member Cabinet Research Information Bureau, the government's top intelligence agency at present. *Reuters - Tokyo*

## Latvian PM resigns

The Latvian Prime Minister Andris Skele announced he was resigning, saying it was impossible to stay in office after other officials and legislators questioned his honesty. Mr Skele acted after questions were raised about his actions in choosing a finance minister. *AP - Riga*

## Serbian court suspends judgment on poll outcome

Mark Heinrich  
Reuters

Belgrade — A Serbian court yesterday suspended an electoral commission ruling that President Slobodan Milosevic's Socialist party had lost Belgrade municipal elections to an opposition coalition two months ago.

The municipal court president Dragoljub Jankovic, clarifying the effect of appeals against the electoral panel's decision, said it was put on ice pending a ruling by the Supreme Court on which court should decide the volatile issue. The opposition Zajedno (Together) coalition has staged nine weeks of street protests against the annulment of its victories in countrywide municipal

elections, generating pressure in the West for democratic reform in Serbia. Analysts said the Socialist-influenced municipal court may have been browbeaten by party bosses into passing the buck to higher legal organs under no deadline for a ruling, giving hardliners more time for counter-moves. Zajedno fears a new outbreak of political violence in Serbia's Albanian-majority province of Kosovo could allow Mr Milosevic to divert attention from the election crisis and build a case for emergency measures to quell any dissent. Belgrade's multi-party electoral commission reinstated Zajedno's triumph in the capital a week ago but said its judg-

ment was preliminary and open to appeals.

Jankovic said two appeals were submitted — one by the Socialists (SPS) and the other by the rightist Serbian Radical Party (SRP), which is not in the government but opposes Serbia's moderate opposition bloc. "The decision of the electoral commission is suspended until the Supreme Court decides [which court should rule on the matter]," Mr Jankovic said. He said the Supreme Court had no deadline for a ruling. Officials in Nis, Serbia's second city, declared a Zajedno victory last week. The SPS lodged an appeal but it was thrown out by Nis municipal court. Zajedno plans to convene the new regional assembly on 27 January.

## Marines and the ugly lads join pageant for America's coronation

## Clinton basks in party for a nation

John Carlin  
Washington

Earnest, adolescent, high-minded, tacky, commercial, ambitious, fabulously diverse and, above all, big, the festivities yesterday to mark Washington's four-yearly pageant, the presidential inauguration, achieved their objective — to capture the spirit of America.

From the steps of the historic Capitol, a Washington school choir sang a song of love for America, celebrating the mountains, the prairies and the oceans, the freedom, the peace and the harmony.

The vast crowds looked uplifted, rapt, but a confused foreign visitor could have been forgiven for imagining he had stumbled onto the set of a Coca-Cola commercial. The event was a coronation, United States-style — sans ermine, sceptres and crowns, but teenage baton-twirlers, chocolate-box marching bands and Disney parade floats aplenty.

The official inaugural theme, picking up on President Bill Clinton's favourite election campaign slogan, was "An American Journey: Building a bridge to the 21st century". The purpose of the floats was to describe that journey, recount the history of the world's most successful nation through images on wheels.

A plaster of Paris revolutionary soldier beating a drum led the way ahead of a giant plaster of Paris scroll bearing the opening words of the US constitution ("We, the people...") in 18th-century script. Then a plaster of Paris eagle and then, the *pièce de résistance*, a cartoon train covered in red and blue furry synthetic carpeting, closely followed by a stagecoach set in a landscape of polystyrene cacti and papier mâché rocks.

As the present day loomed, the images became appropriately eclectic. One float bore on its prow the wings of the Kitty Hawk, on the prow a windmill, at the stern a transparent plastic bag filled with red confetti marked "blood plasma". Then a rocket trailing spray-painted cotton wool, two computer screens inside a cage adorned like a greenhouse and, perched on a parapet, a plaster of Paris man with ear muffs aiming a black pistol in the general direction of a glittering gold Statue of Liberty.

The human element in the parade, viewed by President Clinton from inside a bullet-proof capsule in front of the White House, bore testimony to America's mad, magnificent variety. The US Marine Corps band and Com-



Dream team: Bill and Hillary Clinton embrace after the president was sworn in to office for his second term

Photograph: Reuters

pany C. 8th Tank Battalion of Tallahassee, Florida, marched in fearsome lock-step ahead of a giant phalanx that included the Borrows Eskimo Dance Group, the Hub City Dancers, the Church of Jesus Christ of Latter-Day Saints Covered Wagon, the James Madison University Marching "Royal Dukes", the Wildcat Wranglers, Mahina and the Polynesians, Bill the Mule, the Rasputin Mule Farm and Los Changuitos Fcos de Tucson, which

means the "Ugly Little Lads of Tucson".

The cheerfully uncritical crowds lining Pennsylvania Avenue chomped hot dogs, waved little US flags, sported inaugural souvenir T-shirts and shot envious glances — for it was a long day — at the privileged few who had purchased road-side seats, price \$10 to \$100 a ticket.

A small bunch of anti-abortion protesters struck the big day's one dis-

cordant note. They lined a stretch 50 yards long of Pennsylvania Avenue, holding aloft large placards bearing photographs of bloody, hideously dismembered foetuses.

Otherwise, the mood was resolutely cheerful. Mr Clinton, sucking in the pomp and the adulation, was king for the day and even the congressional Republicans, at a time when US politics is defined by *ad hominem* squabbles, called a truce.

Today hostilities will resume, sincere as Mr Clinton's appeal was in his speech for an end to bipartisan hickering. But yesterday was US family day in Washington as the hundreds of thousands of revelling patriots on the Mall and the millions watching on television glowed with pride, thankful for the reminder that the US enters the 21st century unchallenged as the mightiest, richest, most innocently optimistic nation on earth.

## Britain backs US plan for global ban on landmines

Tony Barber  
Europe Editor

The United States launched an initiative yesterday to secure a world-wide ban on landmines, which, according to humanitarian organisations, kill or maim about 25,000 people a year.

The Government said it supported the US proposal, which was made public only days after the Princess of Wales came under fire from Tory politicians for denouncing landmines as "hideous weapons" during a visit to Angola on behalf of the British Red Cross.

The Government, perhaps sensing public support for the princess's remarks, quickly distanced itself from the criticism of her and made clear that it ad-

vocated a ban on most anti-personnel mines. Government officials point out that Britain has not manufactured such mines for years and that China and Russia are the world's largest producers and exporters of landmines.

The Clinton administration put forward its initiative at the United Nations-sponsored Conference on Disarmament in Geneva, but without much expectation that it would achieve rapid results. Diplomats said the 61-nation conference was likely to get bogged down in the next few weeks over the demands of non-aligned and developing countries for total nuclear disarmament before there was any progress on landmines.

However, the US approach,

which is supported by France as well as Britain, may produce results in the longer term. This is because Russia and China, whose support would be essential to the effectiveness of a world-wide ban, have indicated that they are at least prepared to discuss the issue in Geneva. US officials said it made more sense to push for a landmines ban at a conference where the Russians and Chinese were taking part. The US has would cover mines designed to kill or injure people, but would exclude anti-tank mines.

The International Committee of the Red Cross, one of several humanitarian groups pressing for a world-wide ban, estimates there are more than 100 million landmines in 64 countries.

Mark Heinrich  
Reuters

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significant shorts

to 'Bright Star' wedding

Mexicans flock to 'Bright Star' wedding. With thousands of fans crowding outside, millions watching on television and in the streets, the wedding of the Pope's favourite son, the Mexican star, got married in one of the country's biggest weddings ever. Archbishop Norberto Rivera Carrera - the Roman Catholic primate of Mexico - officiated at the nuptials of Lucero, an actress-singer known by her first name, which means "Bright Star", and the singer-actor Manuel Mijanguez. AP - Mexico City

Coup trial opens

The trial over the killing of Bangladesh independence leader Sheikh Mujibur Rahman opened, more than 21 years after his death in an army coup. Lawyers said 25 of the 25 people accused of involvement in the killing of Mujib appeared in court, including three ex-army officers. In all 32 people, including Mujib, his wife and three sons, were killed on 15 August 1975, in the country's first army revolt. Reuters - Dhaka

Mudslide kills family of four

A waterfront house in Washington state with a view of Seattle's skyline was crushed by a mudslide, killing a family of four. The mudslide, which came from a hillside, buried the house under a mass of earth and debris. The family, including a mother, father and two children, were killed. The cause of the slide is still under investigation. Reuters - Seattle

Abortion clinic bombed

An abortion clinic in London was bombed on Sunday night. The explosion, which occurred at about 11pm, caused significant damage to the building. The police are investigating the incident, which is suspected to be a terrorist attack. Reuters - London

Berlusconi judge quits

The judge who was investigating the case against Silvio Berlusconi, the Italian Prime Minister, has resigned. The judge, who was appointed to the position in 1994, has been under pressure from Berlusconi's supporters. Berlusconi has accused the judge of bias. Reuters - Rome

Lover's reptile revenge

A woman in London has been bitten by a snake that she kept as a pet. The snake, which was a cobra, bit her on the leg. The woman, who is in her 30s, was taken to hospital. The police are investigating the incident. Reuters - London

PM suspends poll outcome

The Prime Minister has suspended the results of a poll. The poll, which was held to determine the outcome of a referendum, was suspended because of alleged irregularities. The PM has ordered a new poll to be held. Reuters - London

# Britain slams EU fast-track strategy

Sarah Helm  
Brussels

The Government must maintain the right to veto any attempt by other countries to build a "flexible" multi-speed Europe, Britain told its European partners yesterday.

David Davis, Minister for European Union, made clear at a meeting in Brussels that if other countries wanted to pool powers without the rest, the go-ahead must be given by all member-states. The European Union was "not a franchise operation," he said, adding that the institutions of union were the

ence on EU reform, as the talks enter the final haul before the EU summit in Amsterdam in June. In recent weeks John Major has taken a conciliatory line on flexibility, suggesting to European partners that Britain is not opposed to creation of a multi-speed Europe, which would allow Britain to opt out of policies it does not favour.

But Britain appears to have been taken aback by the way in which other member-states - particularly France and Germany - intend to use flexibility to push for deeper power-sharing in areas ranging from defence and immigration to taxation and monetary union.

Yesterday Mr Davis said the Franco-German ideas on flexibility were an attempt to "bypass" the veto and that was "not acceptable." He said a "majority" of other member-states were expected to support the British position on flexibility.

If other countries were pushed by the British veto into power-sharing outside the treaty, this would not threaten Britain, he said.

British obstruction on flexibility was not the only cause of unease among EU leaders yesterday, as more evidence appeared of concern about progress towards economic and monetary union. Hans Tietmeyer, the Bundesbank president, criticised Europe's political leadership for failing to give the public round to the euro, saying they had been too ready to blame economic problems on the Maastricht Treaty.

In an interview with the *International Herald Tribune*, yesterday Mr Tietmeyer blamed European countries, including Germany, for faltering economically because they had failed to react quickly enough to the rising power of Asia, the growth of Eastern Europe and revival of the US.

Mr Tietmeyer repeated a call for strict interpretation of the Maastricht Treaty when Europe's leaders decide early in 1998 which countries qualify for EMU. "The treaty is the treaty, and if politicians stick to that, then we will have to select the countries in a restrictive way," he said.

It has become the most contentious issue on the table of the Inter-Governmental Confer-

ence on EU reform, as the talks enter the final haul before the EU summit in Amsterdam in June. In recent weeks John Major has taken a conciliatory line on flexibility, suggesting to European partners that Britain is not opposed to creation of a multi-speed Europe, which would allow Britain to opt out of policies it does not favour.

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Overdrawn: Jérôme Meysonnier (right), head of Crédit Foncier de France, being held captive in his bank by angry workers Photograph: Reuters

## Bank boss a hostage to misfortune

John Lichfield  
Paris

It is not so much a revolution as a white-collar counter-revolution in defence of an ancient régime.

Hundreds of bank employees, in suits and silk scarves, have taken their boss hostage in his own office. They have draped placards insulting the Juppé government in the potted palms of their bank's lobby. And they have turned the marbled halls of one of the most prestigious sites in the financial district of Paris into an impromptu disco. Yesterday they were setting in for a prolonged siege.

Except there is no siege. The protesters seized the governor of the bank and 10 members of his board on Friday and held them prisoner throughout the weekend. But the government has made no attempt to rescue

the bank's chief, a government appointee (who seems in no mind whether he supports his captors or not). Yesterday afternoon there was one policeman outside the building, directing traffic.

The dispute provides a microcosm of France's once-cosy public-private business relationships and the impact of the sometimes clumsy attempts by the centre-right government of Alain Juppé to expose them to market forces. The government announced plans last year to dismember the *Crédit Foncier* de France, which for more than 140 years had a government-authorised monopoly on loans for the building of homes for the less well-off.

The bank, technically a private institution but always run by government appointees, suffered vast losses in the 1980s, when permitted by the then So-

cialist government to go beyond its traditional role and speculate in property at large. The new centre-right government which took power in 1995 abolished the bank's monopoly on loans for cheap housing developments and then, last July, announced that its remaining business would be split between two other institutions (with the loss of 1,800 jobs).

For years, *Crédit Foncier* employees seemed to have the best of both worlds, private-sector salaries and the security and status of civil servants.

Now the employees insist that they are the victims, not of an economic revolution, but of a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Pétissol. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned *Crédit Lyonnais*.

Yesterday the government said it had appointed a conciliator to try to resolve the dispute. But the Finance Minister, Jean Arthuis, said there was no question of re-floating *Le Financier*. "We are no longer in the business of creating new, publicly owned banks," he said.

The captive governor, Jérôme Meysonnier, originally appointed as an executive, has gone native and pleaded for his bank's survival. He "understands" and "admires" the protesters but they "should not go beyond certain limits". He faced his fourth night sleeping in his dishevelled office, which he begged the media not to film.

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## Official voice of Damascus comes cold off the presses

Damascus - The *Syria Times* arrives under the hotel bedroom door of every foreigner in Damascus. It makes uneasy reading. The world outside may rage at Syria's gates - threats from the Israelis, further condemnation by the United States for "supporting terrorism", Amnesty International reports decrying human rights abuses - but the *Syria Times* is there to assure you that all is well in the best of all possible worlds.

And so, in a country where President Hafez al-Assad's Baath "correctionist movement" (CM for aficionados) - the bloodless coup d'état in which Assad took power in 1970 - decides the future of Syria, the reader will not be bothered by editorial doubt.

On the day its editor Walid Shehadeh agreed to see me, the paper's domestic news headlines read as follows: "People's Assembly proud of CM's achievements", "Damascus University Celebrates Glorious Achievement", and - an imperishable, Brezhnev-style title above columns four and five of page two - "Masses Continue Celebrations of Correctionist Movement Inauguration".

There was an arts page - "Cultural Activities Mark the 26th Anniversary of the Correctionist Movement" - and two pages of foreign news (in which the word "occupied" had been placed before an agency dispatch from the West Bank), including a report of frightful new atrocities in Algeria and a clutch of editorials asking whether the Israeli Prime Minister will abide by UN resolutions for a total withdrawal from all occupied Arab land. Conclusion: No.

So when I called on Mr Shehadeh in the offices of his sister paper, the Baath-party run *Tishreen*, there was only the old, familiar smell of hot ink and

them every day and every night. It flows out of our blood. We have to know we are in danger. Perhaps people are bored because we say the same things, but we are in danger. We can be invaded at any time.

This was the authentic voice of every *Syria Times* editorial. "We have to catch anything that says something about the Israeli problem - but apart from this, I don't think the Syrian press is boring. Our literature pages, our features, talk about peace. However, for almost the whole of this century, we have fought against colonialism and aggressive conspiracies from the out-

side. We expect a hostile [foreign] media and hostile attacks from the West. The minister of information [Mohamed Salman, a fellow Baath party member] is encouraging our press to be brighter and livelier."

And more lively - in Syrian terms - *Tishreen* has become. Its foreign press reports are accurately translated and its criticism of domestic problems (à la Brezhnev) is growing. A few days earlier, Walid Munnari, in his daily "Rain Hour" column, had taken the minister of electricity to task for failing to alleviate long daily power cuts in three Damascus suburbs, and condemned the governor of Damascus for failing to impose a smoking ban on commuter and inter-city buses.

Three days later, there was criticism of Damascus University's English department for the behaviour of students who were smoking and singing. Two pages further on, Ghassan Salameh lampooned the authorities for the atrociously low pay of government civil servants.

Destined for foreigners, the *Syria Times* is not even as daring as *Tishreen*. Could Mr Shehadeh therefore really justify a media controlled by the party? "We are in line with the policy laid down by the party," Mr Shehadeh replied. "And I believe, because of the situation in the Middle East and because of the Arab-Israeli conflict and its various repercussions, it's much better to have the press and media strengthened together under the control of a body which makes the policy."

But what would that policy be if there was a real and just peace.

I asked, "It's a hypothetical question but when this happens, there will be new talk, new thinking. If there is peace, the policy will change." And Mr Shehadeh proceeded to remind me of the Sykes-Picot agreement, the break-up of "greater Syria" after the First World War, the French creation of the state of Lebanon from Syria. And suddenly, he wanted to talk about Winston Churchill.

"I didn't like him but I admired him. I think his behaviour in his country during the Second World War was admirable. He defended his country and showed his love of his homeland. This is part of our own feelings. Isn't the word 'patriotism' derived from the Latin 'father'?"

But what was the point, I asked, in having a joint security pact with Beirut when Syria could do nothing to prevent Israel's bombardment of southern Lebanon last April? "If Syria had responded - militarily, I mean - and sent its aircraft and tanks to defend Lebanon, what would have happened? Do you think the Israelis would have come, so we will retreat? No. It would have been war. The Syrian leadership adopted a wise policy - if they engaged in understanding, a good Syrian achievement."

They made the Europeans and Americans recognise that it is the right of the people of Lebanon to resist occupation. A monitoring committee (with Syria) was created."

So the state of war continues, like the *Syria Times*. Next day, its editorial was headlined: "Israel defies peace, international law." Plus ça change.

## Rwanda 'unsafe' for aid workers

David Orr  
Nairobi

Aid agencies in Rwanda are to scale down their operations but will remain in the country following an attack on an agency compound at the weekend in which three Spanish aid workers were killed.

The non-governmental organisations (NGOs) reached their decision after an emergency meeting of United Nations and aid agency officials yesterday to discuss the situation in north-western Rwanda where the attack took place.

"Our security people are working with the NGOs to increase security," a United Nations spokesman told *The Independent*. "We've also had meetings with the Rwandan authorities. One of the things we're recommending is that no aid workers should stay overnight in Ruhengeri."

It is believed that Hutu militiamen of the former Rwandan army were responsible for Saturday's attack in which three members of the Doctors of the World (Spain) team were killed in the north-western town of Ruhengeri. An American who had to have his leg amputated after being hit by bullets is said to be in a stable condition.

"I was talking to our team in Ruhengeri by radio 20 minutes before they were killed," said Cristina Pardo of Doctors of the World yesterday. "They said they heard some shooting outside. They decided to cut the communication but when we rang back there was no reply."

At least 10 agencies have pulled out of the area. Among them is Britain's Save the Children Fund (SCF) whose residence in Ruhengeri was hit in the attack.

The head of Rwandan intelligence has confirmed that Hutu rebels opposed to the Tutsi-dominated government have decided to target foreigners in order to destabilise the country.

Hutu extremists, who fled to Zaire after taking part in the 1994 genocide of half a million Rwandans, are believed to have been among those who returned across the border into Rwanda at the end of last year.

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# Old targets to test the mettle of new Labour

Everyone thinks Gordon Brown's tax and spending bombshell yesterday was shaped merely to win the coming election. Wrong. It is of course true that Gordon Brown's promises – sticking to existing Conservative spending budgets for two years, no increase in the basic rate of income tax or a new top rate for all five years of the parliament – are likely to improve Labour's chances of winning this year, so long as the electorate believe him. But they are far, far more important for the election beyond, five years from now, and for Labour's chances of ever winning any subsequent election again.

Our cautious support for Gordon Brown's proposals is not based on the view that income tax should never go up, nor on the belief that the Government's present spending plans are perfect in every way. Far from it. Actually there is a strong case for more progressive taxation, including higher and over income tax rates. And, though the state does not need to expand inexorably, it is possible to be persuaded that certain public services need more investment. In spite of all that, it is still right for the Labour Party, right now, to commit itself to no overall increase in tax and spending.

Labour is boxed in by its poor record. No one associates Labour

with hauling back borrowing, bringing tax down, and reducing spending. In consequence, voters rarely take what Labour politicians say about tax and spending at face value. Everyone suspects that the old heart of old Labour still beats, and that the party's activist instincts, when staff and services are under strain, will be to cry out for more money as the obvious answer. Tony Blair and Gordon Brown fight these traditional instincts, but we know that they are having to fight them, and therefore they are still there.

Even Blair loyalists can't help themselves. Glenda Jackson made a terrific fuss this month about under-investment in London's Tube network. David Clark attacked government cuts in defence only yesterday. Yet the Government was absolutely right to start cutting defence spending; the MoD should be high on Labour's list for a spending review if it wins the election. Can't Labour politicians understand that lower spending (maybe, even, privatising services like underground commuter trains) is an important part of distributing social resources justly?

Until they do, until "new" Labour can prove that it can make balanced and fully informed decisions about spending while in power, rather than following more profligate instincts, voters will not trust the party's much-



vaunted change. Nor will anyone be willing to fork out in higher taxes when and if a genuine and demonstrable need arises. So Gordon Brown is right. A new Labour government should plan to spend two years getting to grips with existing budgets, and working out how best to spend them (a good principle anyway, after 18 years in opposition). Two years of austerity and prudence might set the public sector unions screaming, but it would do wonders for the credibility of a Labour health minister finally requesting extra cash, with the full facts at his fingertips. And who knows, during those months of management, many Labour MPs may discover to their surprise that all kinds of radical and creative things are possible without demanding additional cash.

The same is true for taxes. When Labour politicians talk about raising taxes on the rich, again, no one takes their words at face value. For most voters, any Labour talk of tax changes is likely to bring the two words "thin" and "wedge" into close proximity. Labour has to prove in power that it does not want to tax the rich out of

envy, and everyone else out of puritanical zeal, before it can build a consensus for a more redistributive tax system. And if that means ruling out major income tax changes for a parliament, so be it.

Smooth speeches from a shadow Chancellor are only the start of tackling Labour's credibility deficit. The party will have to prove in government that it can actually put Gordon Brown's promises into practice. Swanning into Whitehall the day after the election, then throwing up their hands in horror and clucking, "We've seen the books, it is much, much worse than we thought," simply will not wash. Of course Labour politicians do not know all the details of the public finances. In truth, though, they know most of it, and, most importantly, they know what they don't know, and therefore what they should not make promises about.

Brown and Blair have taken a risk by heling themselves in so tightly. Sticking to the control total for 1998/99 will not be easy for any government, Conservative or Labour. With so much to lose, they might come to wish they had given themselves more room to manoeuvre. But it is a good gamble, and a tough-minded one.

There are those who think Mr Blair will vindicate his reform of the party simply by winning an election. But vic-

tory itself is not enough. Labour will only prove itself to be truly "new" when it demonstrates that it can govern responsibly, stick to the promises it made the voters, and resist the temptation to indulge itself. Thereafter, maybe, voters will trust the party to redistribute wealth, and risk a new balance of spending. But not until then – and that probably means not until a second term.

## Meanwhile, back on the terraces

On the subject of new Labour, which party does Tom Pendry think he belongs to? There is everything old Labour about calling for a return to standing-only football terraces. Of course many fans yearn to go back to the had old days when they could sway back and forth in tribal ranks, spilling beer over their little cousins, straining hopelessly to see the game, and terrifying everyone else to death. But the single biggest reason for families returning to football is the arrival of all-seater stadiums. It is not just about Heyesl and Hillsborough, this demand for all-seater stands; it is about civilised environments encouraging civilised behaviour. It's a pity Mr Pendry does not get the point.

## LETTERS TO THE EDITOR

### Why we need European single taxes

Sir: Sarah Helm's report (16 January) that France and Germany favour a common income tax and social security system co-extensive with membership of the proposed single currency, should be welcomed in Britain as the best European news in a long time. The present Naastricht fiscal overzealous criteria and monetary relationships have by themselves a deflationary bias. The economies within the single currency least able to contain the upward creep of costs would suffer the worst employment/inflation trade-offs. These weakest regions would therefore bear the brunt of the costs of adaptation, in terms of unemployment and industrial stagnation.

The most enterprising of the unemployed will migrate from such regions, taking their savings with them. Local capital will similarly migrate, leaving a depressed, impoverished region in its wake.

A similar process occurred in southern Italy after the Risorgimento, and South Wales in the 1930s had a "balance of payments" deficit within the UK, owing to a local concentration of inefficient coal mines. Equilibrium in payment flows was restored by the downward crushing of average household incomes through a regional concentration of enforced redundancies.

An analogous threat was posed for Britain by the Maastricht arrangements as they stood. The plans revealed by Sarah Helm in principle provide a way out. Under a federal fiscal system, a member state suffering a structural balance-of-payments deficit, owing to uncompetitive firms, will experience an inflow of funds for unemployment benefits as workers are made redundant.

If the fiscal federalist plans include a European element in industrial investment incentives, national measures to stimulate revival will no longer be limited by the "national rate-capping" effect of the Maastricht 3 per cent budgetary deficit ceiling. On the contrary, such measures would attract matching supplementary funding from Brussels.

A fiscal federal system in Europe would provide automatic compensating flows of funds to regions or member states suffering deficit or de-industrialisation (the British case), and the European Union economy could thereby achieve real convergence in productivity between its regions.

The danger is that our wretched part political leaderships will not realise the opportunity presented to them by the Franco-German proposals until too late. CYRIL POHL, *Hedley, Essex*

Sir: John Redwood ("Jobless in Leipzig, taxed in Liverpool", 17 January) may well be right about the logic of the process driving European Union: let the pound go tomorrow and next week your interest rates will be fixed in Frankfurt, your taxes set in Brussels and your social benefits system defined in Strasbourg. He is surely right that the well-off Londoner will be paying taxes which not only go to support the unemployed in Liverpool but to those of Leipzig as well. And in 10 years' time the Londoner's taxes will go to support the unemployed



### Banana bonanza warms the heart

Sir: I think that your editorial misses the point about "Banana man" Phil Calcott ("A bargain? No, it's a banana", 15 January). This isn't an initiative to be assessed by standard economic parameters.

Seven years ago I was driving with friends through New York City and got terribly lost, heading out of Manhattan by mistake across the tolled Newark Bridge. Attempts to turn the car round, or requests for help from other drivers, met with standard New York aggression and expletives, and our car was soon a collective nervous wreck.

As we came to the toll booth, without the correct change, I prepared for another round of robust New York "conversation". Instead, I was politely informed that "the lady ahead has paid your fare" and waved through with a smile. The gesture and spirit behind it immediately changed the atmosphere of our car (and a queue of others behind) and touched all of us.

The giving away of huge quantities of bananas, while making a small profit courtesy of Tesco, should not be assessed using life-cycle analysis techniques, as your editorial implies. Phil Calcott's gesture was much more about unconditional giving in a world dominated by "everything having its price" and an increasing fear of social interaction with strangers.

Also, what value do you place on fun? STEWART T. BOYLE, *Rotherfield, East Sussex*

Sir: Tesco's generosity over bananas ("Banana economics", 15 January) is not the only occasion on which it has made sacrifices for customers.

Three years ago Tesco issued vouchers to students at Bristol University entitling them to 50p off sandwiches. This coincided with a half-price sandwich offer. For a week we were able to purchase egg-and-cress sandwiches at a price of approximately 5p. For us there was such a thing as a free lunch. HELEN SIMPSON, *Oxford*

### Give it the elbow

Sir: The advertisement for Ford cars on pages 14/15 of 16 January shows two young boys being swung off the ground at arms' length by an adult. This manoeuvre is potentially dangerous because of the risk of dislocation to joints in the arm. One can only speculate how many times these boys would have been subjected to this in order to get the desired "shot".

Every year many children suffer pulled elbows in this way, and it was irresponsible to print this. I wonder if you would have felt less comfortable showing two dogs being swung by their tails. DR THOMAS J. ULAHANNAN, *MRCF, Oxford*

### Danger: learning

Sir: On the subject of homework for schoolchildren (leading article, 14 January; letters, 16 January), I was once teaching at a secondary modern school. The question of homework came up, and one boy said: "My dad don't agree with homework. He says you only set it so as we can learn more." J. T. HUGHES, *Orpington, Kent*

textile workers of Lodz.

However, Mr Redwood's alliterative vein can run along the Paris-Bonn axis. The French taxpayer may accept having to pay taxes to support the unemployed of Rouen. Why should he want to do the same for the unemployed of Rostock? And why should he be happy when his taxes are distributed to Rostock by some people from Ravensau? Why should he be so different from his British counterpart?

Why are European countries so keen to join the single currency when the British arguments against it apply to them as well? This question is being carefully avoided in British debates about Europe. The closest thing to a British answer to it is to allege that the European political elites have conspired to stifle a debate in which doubts about Europe would be aired in public and it is only in Britain where such a debate is open. This is a bit rich when we consider the unwillingness of British politicians to engage in such a debate before an election. WOJTEK RAPPAK, *London SE4*

Sir: So John Major finds it "very surprising" that Ford has decided to take production of the Escort abroad because it is easier to make British workers redundant ("Ford puts Liverpool on road to nowhere", 17 January). May I offer him an explanation? Britain, unlike Spain and Germany, has refused to sign up to the European Union Social Chapter. This makes our already depleted manufacturing base even more vulnerable.

Mr Major should wake up to the fact that most European manufacturing companies are just that – they operate on a European stage. Isolation will inevitably be to our detriment and flexibility will mean nothing if we have no industry to be flexible with. MELISSA HAWKER, *Fowlmere, Cambridgeshire*

### Tory betrayal of poor families

Sir: As a volunteer for Home-Start UK, I applaud Polly Toynbee's concern for families under stress ("Tory talk of family values covers another betrayal", 6 January). During the past year, with two paid part-timers and about 30 volunteers, we have supported 85 families which included 206 children, only to be faced yet again by the local council, which has little choice due to rate-capping. Here is the human face of just one of these statistics: Imagine that you are a 26-year-old mother of three children under six years of age. Your husband is currently unemployed and frequently drinks his sorrows in a residential home, is semi-literate, and though you want the best for your children, you have had so little real mothering that you are ignorant of what this entails. Your mother lives not 30 miles away but has yet to see your youngest child, since travelling by

bus would be too expensive and difficult. You live on a council estate plagued by vandalism and petty crime. You have sold the kitchen table and chairs for other essentials. Non-payment of the TV licence led to a fine, which you have attempted to pay off for the first six months, but having fallen behind, you are being threatened by court proceedings. However, you are more concerned with the fact that your children are often ill, that there is not sufficient food in the house, no money till the end of the week and your six-year-old is constantly bed-wetting.

For almost two years I visited this woman and her children weekly, along with another similar family, and I wonder if I played a part in her marriage surviving despite all the talk of divorce; whether she really would have been sent to prison had I not pleaded her case; did she and the children gain any real benefit from the outings, etc. It is impossible to quantify the support our unpaid volunteers give, but we rest easy at night. Do all our politicians? EVE HOARE, *Merton, Oxfordshire*

### Royal model?

Sir: It seems very odd of the Post Office to celebrate the Queen's Golden Wedding year with a set of stamps showing the six wives of Henry VIII. PETER TAITON-BROWN, *Seaton, Devon*

### Fear that drives teachers to quit

Sir: Public debate over the proposed changes in the teachers' superannuation scheme (article, 9 January; letters, 15 January) overlooks the most important aspect of the issue. Early retirement is in the gift of the employer, and employers allow it to save money.

Funding per student in higher education has fallen by 25 per cent over the past five years and is due to decline by another 15 per cent by the end of the decade. New universities spend between half and two-thirds of their income on staff. The only way they can achieve these levels of "efficiency gains" is by reducing staffing. The best way of doing this is by encouraging early retirement.

A similar situation applies in schools and further education colleges, where governing bodies confronted with reductions in income have to look to staffing as the only area where large-scale economies can be found. Since the introduction of local management, redeployment has ceased to be an option and early retirement is the only alternative to compulsory redundancy. There can be few in education who have not met an out-of-work teacher of mature years who cannot get another job because they are "too expensive".

The present rush to heat the March deadline is not due to staff seeking to join a gravy train. In many cases the over-fifties are

asking themselves: "Should I retire in March on a pension, or stay on and risk being made redundant and having to survive until I am 60 with no pension and no prospect of another job?" W. A. GOLDSPIKE, *Slough, Berkshire*

### Vacuum clue to asthma puzzle

Sir: Your article on wheezing disorders ("Moving house may pose asthma danger", 15 January) struck a chord. As a qualified aircraft engineer I am naturally familiar with the phenomenon whereby air forced through a narrow gap increases its velocity, and have wondered for some time whether the vacuum cleaner might be contributing to the "asthma" problem.

One day, I used a vacuum cleaner when the sun was shining, and noticed that the exit point for the air was throwing up clouds of dust. Half an hour later, I was (as usual) racked with wheezing.

I have since discovered that for the trouble of opening doors and windows when using a vacuum appliance, wheezing fits become a thing of the past, so the only certain answer, surely, is for houses to have vacuum exit points set into the walls, so no dust can be released back into the house.

As for asthma being related to moving house, the answer is simple. People moving either take their old, dusty carpets with them or else install new, fluff-prone carpets, both of which require vacuuming. ANDREW FENTON, *Felbridge, Sussex*



## analysis

# Scourge of the Brontës returns

**Tuberculosis is not confined to literature, and it is not under control in Britain today, despite what the doctors say. The NHS has been breeding this terrible disease in its wards, says Jack O'Sullivan**

These women look healthy enough – as well as you or I. Indeed all three Brontë sisters, Anne, Emily and Charlotte were active, successful writers. Yet even at the moment this picture was painted, each was probably infected with the disease that would eventually kill them. Tuberculosis – an airborne infection that they would have called consumption – ravaged the entire Brontë family, including Branwell, the only son, who painted this picture. But it didn't kill them suddenly. After their initial infection – probably during childhood by their consumptive father, Patrick, in the Haworth vicarage – it took years before the children developed the symptoms (emaciation, persistent cough, racing pulse and night sweats) which show that a latent infection has become active TB.

It is precisely this capacity for

TB to lie dormant that is haunting some chest specialists. They believe that the NHS has been dangerously complacent in failing to learn all the lessons of the huge 1992-93 TB outbreak in New York, which has cost hundreds of millions of dollars. They say TB surveillance has been slack, infection control in hospitals poor, and that the whole problem has not been taken seriously enough.

Privy to the latest research, these experts suspect there is a great deal more TB being spread in Britain than is suggested by official figures. They fear that in a few years, TB, which John Bunyan called "captain of all the men of death", could again be a serious killer, particularly since strains resistant to drug treatment (MDR TB) are now in circulation.

This is not the official view. Developing countries and parts of the United States may have seen dramatic increases in TB, but most professionals, proud of

Britain's good reputation for public health, believe the NHS has cracked the problem. The statistics seem to bear out their confidence. Although the number of notified TB cases in Britain rose during the Eighties after falling for the previous 40 years, the figure has stayed steady at around 5,600 new cases for each of the past three years. So, although there is concern that homelessness and rising deprivation provides a breeding ground for TB, the statistics suggest no need for concern.

But the early signs of NHS failure are showing up in people with low levels of immunity (in particular, people with Aids). They are developing the age-old symptoms that claimed so many historic figures, from Keats and Shelley to Nicolo Paganini, in the "white plague". The immuno-suppressed are to TB what canaries were to miners, predictors of unseen dangers. Whereas a healthy person infected with TB may take 30

years to develop the actual disease, someone with HIV can fall ill within a fortnight.

Their susceptibility was demonstrated in 1995, during serious outbreaks of tuberculosis among Aids patients in two London hospitals – St Thomas's and Chelsea & Westminster. In each case a patient had been present on the ward suffering from tuberculosis. By coughing, the patient infected others with multi-drug resistant (MDR) TB. Several died.

Paul Mayho, 26, is one of the few who survived the Chelsea & Westminster MDR outbreak. Eighteen months later, he is still on six TB drugs plus an injection three times a week. "I'll be on medication for the rest of my life. I lost my home, my partner, I was locked in a room for three months. At one point I was given 10 weeks to live. When you already have Aids, it is the equivalent of fatal illness." The side effects of the drugs are nasty. "Streptomycin makes my face go numb. I suffer terrible insomnia. One of the drugs can cause psychosis if there is a build-up."

Old friends who are HIV-positive shun him, even though he is no longer infectious. "They are frightened of the disease. It's very lonely. I've not found anyone who understands how I feel. Completely filthy. I'm full of such anger about the way I was infected." You can almost hear Keats's own angry line: "Youth grows pale, and spectre thin, and dies."

There have been other unpublished outbreaks in NHS

hospitals. Dr Anton Pozniak, senior lecturer at King's College School of Medicine in south London, has documented one such hospital outbreak. It went unnoticed until months later when scientists spotted that a group of people with TB had a strain with the same molecular make-up – they had all been in that hospital around the same time.

These outbreaks could have been worse. In one hospital in Argentina, 102 patients went down with MDR TB over a three-year period. Some had a TB strain resistant to 10 drugs. Most are dead. The NHS has seen nothing on this scale.

During outbreaks, it is difficult to discover how many people have been infected, beyond the Aids patients who actually develop the disease. There is a skin test, which reveals exposure to TB bacteria, but it is of little help. Most Britons give a positive reading because the test reacts to the childhood BCG vaccination – an injection providing limited protection against TB. In short, until people get sick, we don't know how much newly-transmitted (and possibly drug-resistant) TB is dormant in the population.

So you would expect great attention to be paid to the health of the "tuberculosis canaries", not least because of their vulnerability. Yet we have little reliable information on the incidence of TB disease within this crucial population. Notification rates of tuberculosis in people with HIV may be

as low as 30 per cent, according to a paper published a year ago in the *British Medical Journal* by Dr Meirion Evans, a leading consultant in communicable diseases.

The reason for such reticence is the desire among HIV doctors to respect their patients' privacy. Dr Pozniak explains: "If these doctors notify a case of tuberculosis to public health officials, then it means the patient must be followed up at home and contacts traced. They fear that the confidentiality of the patient with HIV will be broken."

However, preliminary data from an important new study involving several London hospitals is filling out the picture of what may be happening. Dr Richard Coker, a consultant physician specialising in TB and HIV at St Mary's Hospital, London, has discovered a worrying increase in the proportion of HIV-positive patients who have developed TB in the past three years. Dr Coker said: "Last year less than 10 per cent of HIV in-patients being looked after in St Mary's were being treated for TB. This year, half of my HIV in-patients have a diagnosis of TB."

In short, TB infection seems definitely to be on the increase. The TB canaries – the HIV population – are the first victims of NHS failures. "Our preliminary findings suggest that TB control in Britain is not as good as we thought it was," says Dr Coker. "This could portend badly for the future. As a healthy person, I may have been exposed to MDR TB. If

in 20 years, I get leukaemia or become immuno-suppressed for other reasons, my TB may activate and I will be sick with an infection which is not susceptible to drugs. This will be as a direct consequence of what is happening now."

Dr Coker's fears are supported by the findings of Dr Diane Bennett at the UK's Communicable Disease Surveillance Centre. People with HIV are 100 times more likely than the general population to develop TB. And when they do, it is 1,000 times more likely to be MDR, the new, drug-resistant strain of TB whose presence suggests recent infection.

How did we get into this mess? First, the public health system moved too slowly. Despite the rapid rise of tuberculosis, including MDR, in third world countries, monitoring at British ports has been inadequate. The port authorities are supposed to tell public health officials to follow up all immigrants planning to stay here for more than six months. But active TB cases are slipping through, says Dr Peter Ormerod, chairman of the Joint Tuberculosis Committee of the British Thoracic Society. "It's an immigration system, not a public health system, with only a quarter of all new immigrants referred to port health units." This is worrying because some immigrants are infected with TB. We know this because the incidence of active TB in black Africans in Britain rose by 135 per cent between 1988 and 1993.

Dr Coker recalls the case of a Somali man. "He told immi-

gration officers that he had been diagnosed in Somalia with TB. After he went through immigration, he was sent off to a holding building for immigrants. Then he went to two hostel where there were other refugees. He finally turned up with us because he was severely unwell. By then he had been here for a month and was subsequently diagnosed as having pulmonary TB and as HIV-positive. Many people will have been unnecessarily exposed to TB."

Dr Peter Davies, a leading TB physician at Sefton General Hospital, says: "We have also created the conditions for the spread of TB in hospitals. It is wrong that people with HIV are more often than not being nursed on the same infectious disease wards as TB patients. They may be in separate cubicles, but people will still walk out and mix in day rooms."

Another problem is the availability of nursing care in the community. TB treatment, even for drug-sensitive strains, can involve a six-month course of drugs. If the patient does not comply properly, a more virulent, drug-resistant strain of TB might evolve. In the case of such drug-resistant TB, a patient may, like Paul Mayho, become totally friendless and isolated. Unless a nurse is available that patient may not carry on treatment.

Yet, according to Dr Peter Ormerod, there is a serious shortage of TB nurses. "What happens in a town where you have 150 TB cases a year and one TB nurse, who has a few weeks holiday a year? The TB doesn't go away when she's not there."

The NHS is belatedly taking action. Guidance will shortly be published on nationwide strategy. Some hospitals are considering building geographically separate facilities for TB and HIV patients. A pilot project is under way at Heathrow to improve the monitoring of immigrants, with electronic messaging to doctors replacing the old snail-mail system of tipping them off. New systems are being put in place to protect patient confidentiality so that doctors dealing with HIV-positive patients will improve notification of TB cases.

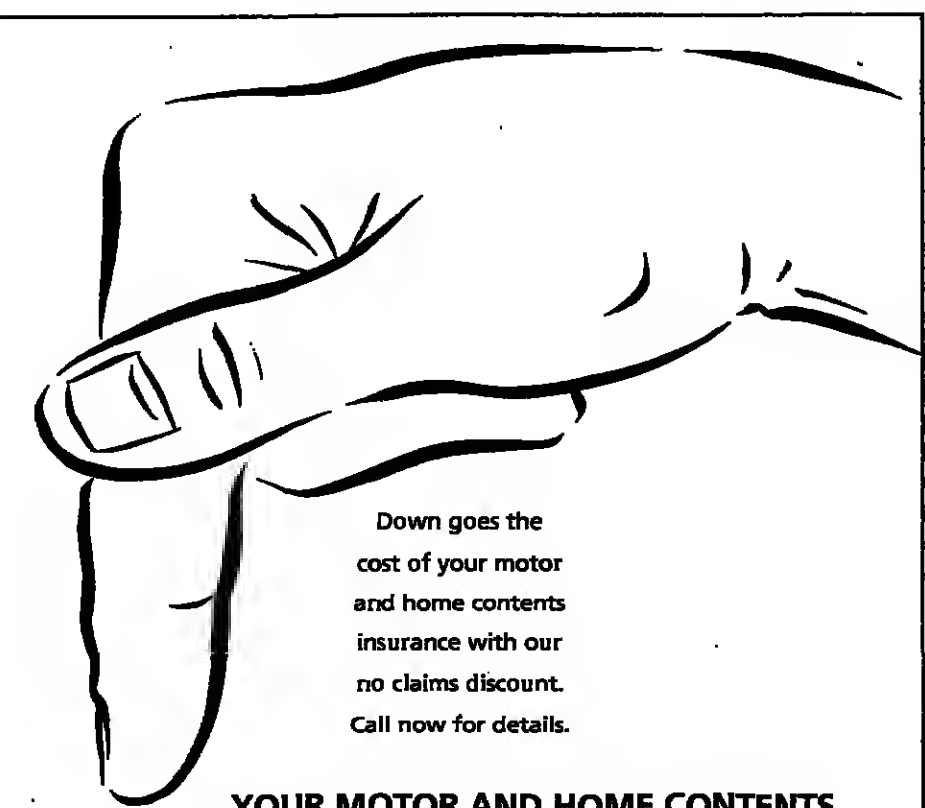
But all this is being done five years too late. We have yet to calculate the personal cost of this delay. We know that many HIV-positive patients may have died earlier than they otherwise would. In a few years, we may find there are more victims, in the general population, who may spend years in treatment that could have been avoided. It's a story that is familiar in the history of TB. Machiavelli hit on the truth in *The Prince* when he remarked that "consumption is easy to cure and difficult to understand; when it has neither been discovered in due time nor treated upon proper principle, it becomes easy to understand and difficult to cure."

The author's *Tuberculosis - America's Health Risk* is published by the Harlequin Fellowship of the Commonwealth Fund for New York.



Infected by latent tuberculosis: the Brontë sisters, Anne, Emily and Charlotte (left to right)

By courtesy of the National Portrait Gallery, London



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## Ronnie's gigs with the Cricklewood Casuals

From Sir Arthur Scraggie DSO Sir, I feel the death of Ronnie Scott cannot be allowed to pass without some reference to his deep and abiding love of cricket. Although best known for his work in the jazz field, he shared with many other jazz musicians a fondness for our great national game and would often turn out in his early days for our local team, the Cricklewood Casuals.

I was once playing next to him in the slips one day, and saying to him, "Ronnie" - Ronnie was what we always called him - "Ronnie, you are a creature of the night. How can you play such a sunlight game? You rise and do your work at night, often not retiring to bed before first light. How can your body clock allow you to rise during the day in time for a whole game of cricket?"

There came no answer from Scott's bending figure. Then, after a moment, there came a loud snore. Scott was fast asleep in the slips! How we laughed! Yours etc.

From Mr Reg Wallop Sir, I must endorse everything that the previous

writer has said. Ronnie Scott took a keen interest in many sports besides cricket, possibly because he had a compulsion to bet on the outcome of so many events. I believe he would spend hours in the back room of his jazz club watching horse races, and that one of the very few ways you could get through to him on the phone was to ring up and pretend to be a stable boy with a tip.

I was once playing with him in the old Cricklewood Casuals Second XI (he had actually been picked for the First XI but they were playing away in Suffolk, and he had refused to go, saying, "I'm not doing any more out-of-town gigs this month"), and he was put on to bowl in the last over, when the other side, with their first wicket standing, just needed 17 runs to win. Before he bowled the first ball, he said to me, "Bit of a moral dilemma here, Reg. I've placed 50 quid on the other side to win. Could be some loose bowling in this over..." He then bowled 10 wides in succession. After that he winked at me, said, "Just kidding," and clean bowled the last batsman next

best place in the world for me to go on holiday is Australia. When you fly to Australia, you are immediately acclimatised when you arrive - you're awake by day and asleep by night."

Then he nodded off again. Yours, etc.

From Mr Bobby Randall Sir, The only time I ever met Ronnie Scott, he wasn't there. I had been asked to turn out for a cricket team called the All Star Jazz XI, and one of the reasons I agreed to play was that Ronnie Scott, whom I had never met, was playing in the team. Well, none of the players looked very much like him so I said to the bloke beside me in the slips, who was a young guy, that I had hoped to meet Ronnie Scott. "Well, you won't today," he said. "He's gone off to play in another cricket match. He sent me in as a dep."

And do you know, it turned out that all 11 of us were depl! Well, that's jazz for you. Or do I mean cricket? Yours, etc.



**Miles Kingston**

ball. A lovely man. Yours, etc.

From Sir Arthur Scraggie Sir, I think I may have already mentioned that Ronnie Scott could get through a whole over of cricket fast asleep without falling over. When I asked him how this was possible, he said that nothing was easier. He had quite often played entire evenings at out-of-town jazz clubs and been fast asleep throughout.

"I tell you what, though," he said. "Being a jazz musician, working nights and sleeping days, means that the

over the ground by one batsman, who turned out to be a local drummer and could understand everything Ronnie was trying to keep secret. After he had hit him for three successive boundaries, the drummer said, "Keep swapping fours, shall we, Ronnie?" I don't know what it meant, but it didn't best please Ronnie. Yours etc.

From Mr Bobby Randall Sir, The only time I ever met Ronnie Scott, he wasn't there. I had been asked to turn out for a cricket team called the All Star Jazz XI, and one of the reasons I agreed to play was that Ronnie Scott, whom I had never met, was playing in the team. Well, none of the players looked very much like him so I said to the bloke beside me in the slips, who was a young guy, that I had hoped to meet Ronnie Scott. "Well, you won't today," he said. "He's gone off to play in another cricket match. He sent me in as a dep."

And do you know, it turned out that all 11 of us were depl! Well, that's jazz for you. Or do I mean cricket? Yours, etc.

صكبات الامم



## Sleight of hand from a would-be Chancellor

Has Gordon Brown discovered the fiscal equivalent of the perpetual motion machine? No increase in standard income tax. No widening of the VAT base. No new top rate of tax. No increase in spending. But a better, fairer world.

Or have he and Tony Blair fallen into the trap that ensnared, disastrously, Hugh Gaiskell and his then shadow chancellor Harold Wilson during the 1959 election campaign?

Then, as now, the economy was improving. Then, as now, the Tories were exhorting the electorate: "Don't let Labour ruin it." And then, as Gordon Brown did yesterday, Gaiskell promised no increase in income tax. All those wonderful aspirations Labour had, including a hefty increase in the old age pension, would be paid for out of economic growth.

When Aneurin Bevan was told about Gaiskell's campaign speech promising no increase in income tax during "peacetime", he said brutally and correctly — that "He's thrown it away. He's lost the election." The voters couldn't square the circle; they couldn't believe Gaiskell's "nobody gets hurt" theory of politics. The Tories won by 101 seats.

Brown's speech yesterday is at once the replacement for, and the antithesis of, the shadow budget which John Smith was forced by the party's huge spending commitments on pensions and child benefit to introduce before the last election. It is the final expression of Brown's disengagement of his party, not just from those commitments, but from the assumptions that underlay them. There will be no more news on tax from Labour between now and polling day. And even if it doesn't invite the same answer, it poses the same questions that Gaiskell's fatal 1959 speech did: is it believable, and if it is, what is Labour offering that makes it worth voting for?

It's true that those with the highest hopes now riding on the windfall tax have inflated its value to £10bn. That's an impressive sum to spend on bringing hope to a generation threatened with permanent exclusion from the world of work. But the windfall tax isn't just controversial and of uncertain yield. It's a one-off. The money, once spent, is gone. Tax cuts, including a new starting rate for the poor of 10p in the pound, are supposed to be for ever. A state education system to be proud of will take years to rebuild. An NHS that promises to be more, in the next century, than something from which everyone who can afford to, flees, will need more than the sacking of a few hundred administrators to flourish.

Brown knows this, which is one reason why his announcement yesterday, though not without its risks, doesn't fall apart in the way that Gaiskell's did. The markets, relentlessly heat-seeking, would not, as he also knows, allow a Labour Chancellor to sustain the bogus equation on tax and spending of which his critics —



**Donald Macintyre**  
Has Gordon Brown the magic recipe: a foolproof fiscal plan to help the poor?

Liberal Democrat as well as Tory — accused him yesterday. But neither is Brown envisaging a world in which nothing changes, in which Labour has no pretensions beyond being more efficient managers of the market economy than the Conservatives.

It's important to consider, first, what Brown did not rule out, as well as what he did. In promising two years of keeping within the present spending totals, and precluding increases in income tax for the entire parliament, he has certainly imposed unprecedented constraints on an incoming Labour government. But he refused a blanket pledge to keep "more than 200" tax exemption reliefs, and allowances embedded into the revenue system. In theory, and at the most ludicrously extreme, he could abolish Mortgage Interest Tax Relief, reduce personal allowances, tax child benefit for higher rate payers, and reduce reliefs for private pensions, without breaching the terms of yesterday's speech. To do all of that at once would scarcely be sustainable for a Labour government seeking a second term. But he has left some room for redistribution through taxes and/or to raise revenue if dire economic circumstances impel it to be done. As they may well do, whoever wins the election.

What he can't now do in the first two years is use even that form of increased taxation to finance extra spending (though it isn't precluded after that). The real message of yesterday's speech is that Brown has learnt the hard lesson of previous Labour governments which have rushed to fulfil expensive spending commitments, only to pay for them later, usually with their lives. By imposing the discipline, he sought to reverse the process by ensuring that ministers, instead of fighting for their share of a spending increase, will be forced to search collectively and individually for savings to pay for cherished programmes. And some of these will be naturally easier after an election than before. No Labour politician, for example, dares breathe even a word about defence savings before polling day. Welfare reform remains the favoured source of new funds. But expect the promised Defence Review to be an early priority.

Brown knows it is not going to be easy. If maintaining discipline on spending in opposition has been tough, imagine how much harder it will be in government, when each spending minister, impatient for results, is bolstered by powerful civil servants who regard victory in a public expenditure round as the only reliable symbol of departmental virility. And when the public sector unions' expectations of a Labour government are all the keener after 18 years of increasingly depleted power. Brown had already sought to reassure the markets on borrowing. In outlining his tax and spending plans he has set himself a daunting, and, for a Labour Chancellor, unprecedented task. But it is no conjuring trick.

## Buying a Picasso? Do it in New York

by John Windsor

For Bond Street's highest art and antique dealers, taking a gamble is all part of the game. Is that a Constable hiding under the grime? Could that blue and white Chinese vase turn out to be 14th century? But today, some of them are facing the highest and least amusing gamble of their careers: should they move their businesses to New York or stay in London — where new taxes imposed by Brussels could bankrupt them?

Alarm bells echoed down the Street this month when the venerable picture dealers Pace Wildenstein announced that, after 60 years, they would not be renewing the lease of historic 147 Bond Street, a 17th-century property which housed Lord Nelson as he convalesced after losing an arm, and which was one of the first purpose-built commercial art galleries. They will trade from offices while maintaining their gallery in New York.

Yesterday, the world's greatest dealer in Chinese artworks, London-based Giuseppe Eskenazi, renewed his threat to decamp to New York, despite having spent £4m refurbishing his Clifford Street gallery. And Johnny Van Haeften, renowned dealer in 17th and 18th century Dutch paintings, described art dealing in London as a dying profession. "It's no fun any more," he said. "I can't wait to retire." He is 45.

Grouching in leather armchairs? Fogeyish Europeans? Not this time. European dealers and auctioneers are jealous of the London market, the Brussels bureaucrats mean business and the new EU regulations — no fewer than three different ones — have teeth that have begun to bite. They are a 5 per cent tax on artworks imported into the EU (Britain so far pays only 2.5 per cent); a proposed 2 or 4 per cent *droit de suite* tax (on proceeds to living artists or their heirs) from next year, on the sale of artworks less than 70 years old; and stringent export regulations intended to curb smuggling of antiquities.

All three are a powerful deterrent to the London market's regular buyers and sellers of artworks living in non-EU countries, but the EU as a whole will be the loser. The winners will be dealers and auctioneers outside the EU who have fostered bureaucracy-free markets — in New York, whose turnover overtook London's in the Eighties, in Geneva and Zurich, and in



**PICASSO AT A PREMIUM:** This is how the proposed regulations could make a single auction transaction in London more than a million dollars more expensive than in New York. Picasso's *Le Miroir* (above) fetched a hammer price of \$18.2m at Christie's New York in November 1995. In addition, the buyer paid Christie's commission of \$1,822,500 — 15 per cent on the first \$50,000 and 10 per cent on the rest of the hammer price — bringing the full price to \$20,022,500. The seller paid Christie's commission of 2 per cent of the hammer price plus their expenses (insurance, etc) of 0.5 per cent, totalling \$455,000. Total charges for the transaction: \$2,277,500. Under proposed EU regulations, if the same picture were sold at a London auction to a European, there would be additional charges: the buyer would have to pay a 5 per cent import tax on the \$20,022,500 — that is, \$1,001,125, (in sterling, of course), and the vendor would have to pay an additional 2 per cent *droit de suite* — that is, \$400,450. Total extra charges: \$1,401,575. The London transaction would therefore cost a total of \$21,424,075 — 61.5 per cent more expensive than in New York.

South-east Asia, especially Hong Kong.

Already, the 2.5 per cent import tax has caused measurable damage to the London trade. Last year, while UK exports of art and antiques to non-EU countries rose by 4 per cent, imports fell by 17 per cent. Anthony Browne, a

Christie's director who is chairman of the British Art Market Federation of dealers and auctioneers, a pressure group formed last May to combat the EU threat, says: "This is the first time to my knowledge that imports have fallen while exports have risen."

"It is a ludicrous situation.

Why impose a disadvantage on London that will drive the trade out of the EU altogether? We don't need a level playing field with Paris. We need a level playing field with the rest of the world. The EU is shooting itself in the foot."

The art trade elsewhere in the EU, apart from Paris, is

predominantly domestic. Hence the Euro-jealousy of the truly international market in London, world centre of connoisseurship for more than two centuries. The London market, with up to two-thirds of its trade coming from non-EU countries, turns over £2.1bn a year, compared to £3.5bn to £4bn for the EU as a whole, Britain included. The British themselves are not great buyers of art. But the London art market is as the City of London is to world finance: an international entrepôt. With New York its chief challenger.

Faced with a choice between New York's open market and London's EU taxes and anti-smuggling strictures, where will non-EU vendors, the Japanese for example, choose to consign their treasures? A survey by the Department of Trade and Industry has estimated that *droit de suite* alone could rob the UK of an annual £68m in art sales and 5,000 jobs in the art trade. The noble intention of *droit de suite* is to succour starving artists in garrets, but in France 75 per cent of its revenue has been found to be channelled to a wealthy élite of six families, including Picassos.

Mr Eskenazi, 57, who came to England from Milan aged 12, has a turnover of some £20m. Because of his scholarship, which is equal to that of any museum curator, he can sell Chinese bronzes for £1m or so. For the first time, he has organised a selling exhibition in New York, coinciding with the International Asian Art Fair there in March. "Maybe I'm just testing the water in New York out of desperation for what's happening here," he says. "The British government doesn't seem to understand the harm it's doing. It's as if we are being pushed out. If they go on pushing I shall leave."

How many other London dealers are thinking of pulling out to New York? Johnny Van Haeften says: "I think we all are. It's a nightmare. What advantage has any collector in Switzerland (a non-EU country) in sending a picture for sale in London these days?"

In New York, a leading Chinese artworks dealer, James Lally, says: "It's more congenial here. More and more London dealers are coming to meet clients. And Giuseppe's forthcoming exhibition speaks volumes about the direction business is taking. If well-to-do collectors cannot play in London, they have no trouble finding other places to play."

## Why Burke is in fashion

Attitudes to revolution are under the spotlight, says David Walker

Expect to hear a great deal about the French Revolution of 1789, the pivotal event of modern history. Attitudes to it have become a key test of political personality and philosophy. The world divides into those who think it a glorious thing, marred and bloodstained, yes, but inspired by the profoundest of human motivations — hope for change — and those to whom it was hateful, unnatural and unnecessary.

Since revolutions tend to upset the natural order of property and possession, the powers-that-be have always been well represented among the latter group and well disposed towards conservative parties and propagandists. In societies frightened of change, counter-revolutionaries get a better hearing, which is why during the coming year we will hear a lot about the French Revolution's great antagonist, Edmund Burke, this being the bicentenary of his death in 1797.

There is going to be a boom in Burkeana. The right-wing Social Affairs Unit has already put out a pamphlet, Ian Crowe's *Unwelcome Truths* (why Burke would hate the European Union, human rights and constitutional reform). A BBC Radio 3 series is being planned for July. There will be several new books, including *Edmund Burke and Our Present Discontents* by Jim McCue (why Burke would hate the EU, human rights and constitutional reform).

The right-wing press will play up a storm. *The Times* has already weighed in with a piece by Conor Cruise O'Brien — one of the clearest heads of our time, gone to muddled impenetrability — in which Burke, a passionate, if closet, Irish Catholic nationalist, is played in aid of maintaining the *status quo* in Ulster.

The owner of the *Daily Mail*, Lord Rothermere, once memorably said: why keep a dog and bark yourself? And this is the role to which Burke has been reduced, a posthumous guard dog for all those who fear political experiment, fear democracy, fear any attempt to make society fairer by means of progressive taxation, fear restraint on property.



Yet Edmund Burke's credentials for becoming a Tory icon are not obvious. "He resists easy categorisation," says Simon Coates, producer of the Radio 3 series, which will feature the far-from-right-wing Terry Eagleton among its contributors. Here was a boy from Ballyduff who made it to opening ball for Lord Rockingham's XI, an Irishman in the pay of English Whig grandees, a friend of the Boston tea-party, who argued for government intervention in one of the biggest businesses of the day — the East India Company — a Jacobite who publicly affirmed his loyalty to the Hanoverian usurpers. Inconsistencies abound, but no more than you might expect from a political placeman anxious to keep his patrons sweet and the cash flowing in.

Burke defending the revolting Americans, or Burke telling the electors of Bristol that he proposed to do his own thing in the Commons, would never have become a Tory pin-up. What ensured him a place in the pantheon, and money from Rupert Murdoch for seminars by Burke fans, was *Reflections on the Revolution in*

France, published in 1790, barely months after the Bastille was stormed.

Even Burke's Tory standard-bearers would not claim it as a work of political philosophy. It is a polemic, a brilliant piece of journalism (defined as writing where style and effect will always triumph over analytic depth and consistency).

Whatever else this was, it was hugely effective propaganda, a redoubt for anyone who feared that the Reds or the Dis-senters or the pike-waving masses were about to descend on their palace gates. What starts as an attack on revolution becomes, perhaps inevitably, a defence of the *status quo*, meaning the present distribution of property and political power in England. That capital was, even as he wrote, subverting the way of life of thousands of English people, mostly low-born, was a fact to which Burke was blind; the only change he objected to was willed change, of the kind you find in manifestos.

To say that Conservatism has been potent in British history would be wrong. If by Conservatism is understood some coherent body of doctrine, what has been potent is Tory journalism, stylish, flashy arguments for preserving what is and those that own it, usually constructed in the form of attack on the insurgents and advocates of change. Burke is the patron saint of the kind of journalism carried by the *Spectator* — the conceit of clubmen, mocking the manners and pretensions of those out there. The very fact that Burke was an Irish outsider who had won his way into the club by the sharpness of his wits gave his defence of the *status quo* added vigour.

Hazlitt once said that it was a test of the sense and candour of those who oppose Burke — their ranks must include all those who believe politics is about seeking to change the *status quo* — that they admit he is a big man. Maybe. But the same test does not apply to the Burke boosters and apologists who are going to be out in force this year.

*'Unwelcome Truths', publication 69 from the Social Affairs Unit.*

## Britain's real reading list

Give them credit. Whoever dreamt up Waterstones' greatest 100 books of the century pulled off the nearest marketing wheeze since *Prima* persuaded Cherie Blair to edit their mag. Neat, because yesterday everyone who had any interest whatever in books found themselves unable to avoid discussing the merits and demerits of their list.

Over breakfast we asked each other how many we'd actually read (and then tried to work out if our partners/lovers were cheating). Over lunch our Eng Lit friends wondered how on earth *Trainspotting* could appear in the top 100, never mind the top 10 (and we thought, how can you be so pompous?). At supper the paragon game played on. Surely at least one Hemingway? No Conrad? Or Faulkner? What about *The Golden Notebook*? *The Naked and the Dead*?

As Mark Lawson put it yesterday morning on Radio 4, this top 100 was a satchel and rucksack collection. In one way or another most of the books chosen by Waterstones' customers fell into the category of juvenile cult favourite (*The Lord of the Rings*, *The Catcher in the Rye*, *Dune*, *Zen and the Art of Motorcycle Maintenance*, anything by Stephen King) or obligatory examination texts (1984, *Animal Farm*, *To Kill a Mockingbird*, *Lord of the Flies*). The rest were books that everyone knows are important but most have not read (*Ulysses*, *Remembrance of Things Past*). In fact, the list was a monument to the power of adolescent conformism and GCSE syllabuses. My first response on scanning it, therefore, was a sort of snuffy disdain. Let's be honest, most people who think they are half-serious about literature are bound to react caustically to a league table that places *Della Smith* above Richard Dawkins (though you could argue that the former has more encouraging things to say about the purpose of physical pleasure). And you have to be semi-suspicious about any judgement that clusters child fantasists such as Kenneth Grahame, A.A. Milne, CS Lewis and J.R.R. Tolkien among the top 30, or one that regards *Jurassic Park* and *The Horse Whisperer* as even mentionable in respectable company.

But that's not the point. What makes the list so fascinating, so talkable-about, is precisely its banal, eclectic, barnyard accuracy summary of what would probably appear on an average educated, averagely middle-class shelf in a not-very-bookish home. It does, in fact, reflect what people really read.

There's an additional value to a list like this. Ask yourself, how many of those titles are books (such as *The Master and Margarita*) that you thought you knew about, but have never in fact read? Weren't you reminded of books, such as *A Suitable Boy*, that you never got round to reading but meant to one day?

Ten years ago this list would have been very different; in 10 years' time it will be different again, if only because *The Horse Whisperer* will by then be long forgotten (thank heaven). But it is no less intriguing for that.

Colin Hughes

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COMMENT

'From very different perspectives and political positions, Mr Tietmeyer and Mr Brown seem to be coming round to the same point of view'

## The final triumph of free market principles

Anyone reading Hans Tietmeyer's comments in the *International Herald Tribune* yesterday would think he had been converted to Kenneth Clarke's particular brand of British Conservatism. It was wrong, Mr Tietmeyer said, to blame Maastricht for the public spending cuts, labour market reforms and welfare upheaval going on throughout Europe; these would be necessary regardless of monetary union, for Europe is losing its position of competitive strength in world markets and needs to respond urgently.

That's remarkable enough for any beneficiary of the German economic miracle, but for the President of the Bundesbank it looks like a form of heresy. What's this? Unskilled workers should not command high rates of pay, labour regulations are too rigid, collective wage bargaining is not sufficiently flexible, Germany in particular should get away from the idea that the service industries are a humiliating form of work? Hans Tietmeyer is not a politician, he's said this kind of thing before (though not as strongly), and it may be some time before sentiments of this type are echoed publicly by Helmut Kohl. All the same, by German standards, he's tilting at some very sacred cows.

In a different way, so is the Labour Party in its new very public pronouncements on the importance of sound public finances and low rates of taxation. That this

kind of thing should no longer be thought surprising coming from the shadow chancellor is almost as revealing as Mr Tietmeyer's conversion to the cause of flexible labour markets. Are we beginning to witness the final triumph of Anglo-Saxon free market principles? From very different perspectives and political positions, Mr Tietmeyer and Mr Brown seem to be coming round to the same point of view.

The problem for Mr Brown is that it is all very well to say these things, quite another for him to deliver. It remains to be seen what sort of a credibility gap he has to close with the electorate: with the markets it is still a big one.

The rhetoric is fine, but he's got a hill to climb convincing financial markets that he's as serious about it as claimed. Income tax is in any case only part of the equation here. If he has to rely on the windfall profits tax and other wheezes to make the books balance, he could be in trouble.

There is no such thing as a popular tax, however much a windfall levy on the utilities might look like one. While proposals for this tax languished in the £2bn-£5bn range, Labour looked like getting away with it, just about. But if it is true that Mr Brown's office is now looking at a £10bn levy - and his comments on income tax yesterday only tend to support the suggestion that he is - then that is a very different matter.

This is not money that it is going to be magicked out of thin air. Ultimately it will be the shareholders who pay. There are about 8 million of them spread across the utilities, and the sums involved begin to look large enough to make an electoral difference. As Mr Brown is about to discover, squaring the circle between Labour's social commitments, its policy of low taxation, Maastricht and the financial markets will be quite as hard as Mr Tietmeyer paints it.

### Demergers are no panacea

The City was beginning to have its doubts about demergers, but the woeful performance of Thorn since its divorce from EMI has confirmed that the great business school idea of the early 1990s is no panacea. Since Thorn EMI did the splits in August last year, the rental arm's shares have slumped 47 per cent.

That would not matter so much if the music business had played a more cheerful tune, but it too has fallen, by 16 per cent as bid speculation evaporated.

The theory of demergers is fine as far as it goes. When a valuable gem such as ICI's pharmaceuticals arm is hidden from view behind a lower rated business like

hulk chemicals, it doesn't take a genius to recognise the potential of spinning it off into a racier sector.

The same was true of Racal's progeny, especially Vodafone, where the potential of the mobile phone revolution was always likely to be diluted by the stock market raving on dull defence electronics contracts.

But the list of failed demergers is lengthening. Hanson's ran aground last year when the City realised the conglomerate's four way split was little more than a dividend cut in fancy clothing. Guinness has turned its back on a break-up. Most tellingly, Sir Christopher Hogg, architect of the Courtaulds demerger, has said he is unconvinced it is the solution to Allied Domecq's deep-seated problems. BAT Industries, likewise, cannot see how demerging tobacco from insurance would add to shareholder value, even though it admits there is no logic in co-existence.

With the benefit of hindsight it is now clear that it was always going to be better to travel than to arrive with Thorn EMI. In the months leading up to last summer's split, optimistic estimates of the value of the music arm to one of the US entertainment giants drove the share price to dizzy heights while no-one really gave a second thought to the dull old rental arm.

Which was a mistake, because dull it was, and is likely to remain. As yester-

day's trading statement confirmed the market in the US for renting commodity products like video recorders and television is drying up as fast as a price war is driving down the cost of huying the machines outright.

What's left of the market is being undermined in the courts where American lawyers have contended onto the usurious effective interest rates rent-to-huy contracts imply. The move into car rental, an area already well served by specialists, is a further sign of desperation. Being EMI's unloved sibling had its attractions, it seems.

### Whistle blown on gravy train

The gravy train may not yet have hit the buffers but at least the whistle has been blown. Pressure from institutional investors has finally forced Prism Rail to scrap a share ratchet scheme that enriched its founding investors beyond their wildest dreams. But no matter.

Prism's directors own 30 per cent and are likely to be in the money again when a larger player chooses to swallow them in the inevitable consolidation to come. History will judge them as clever arbitrageurs who made their money paying peanuts for train operating companies sold in haste

### George argues for rate increase

Bill Treanor

Edwin George, Governor of the Bank of England, yesterday argued with the Chancellor of the Exchequer that the time has come when the pound should be allowed to rise against the dollar. He said the pound was "undervalued" and that a rise would be "in the long-term interests of the country".

## Prism drops share scheme after big investors' protest

Patrick Toohar

Prism, the owner of four passenger rail franchises, yesterday bowed to pressure from institutional investors and scrapped a controversial bonus share scheme that had made paper profits of more than £30m for its founding shareholders. "It looked a little greedy to us," said one leading fund manager.

The scheme, set up to cover the costs of the founding directors, who have put up £2.6m of their money for tendering for rail franchises, will not kick in if Prism wins any more train operating bids. Prism is on the shortlist for North West Regional Railways and ScotRail.

However, the seven directors, including the chairman, Godfrey Burley, and Len Wright, and one business partner will keep the shares they have already been awarded for previous rail franchise gains. Their stake in Prism was worth £35m at last night's closing price of 550p, down 30p on the day. The shares have soared since they were placed at 100p on the Alternative Investment Market a year ago.

Prism said that following "consultations with certain major shareholders" it was terminating the share ratchet scheme that had operated on passenger rail franchises awarded so far. "This reflects the company's

bidding success and the fact that the continuing need for a ratchet mechanism no longer exists," Prism said.

Instead, Prism will fund the costs and expenses of tenders for the remaining rail franchise tenders by converting the appropriate amount of existing deferred shares held by the directors into ordinary equity. This will be based on the mid-market price of Prism's shares at the time that the preferred bidders are announced. Directors will be allowed to subscribe to any rights issue needed to fund a new franchise win.

It was the award of West Anglia Great Northern, Prism's latest rail franchise, that provoked



Sharing it out: The seven directors, including Godfrey Burley (left) and Len Wright, will keep the shares they have already been awarded for previous rail franchise gains

a storm of protest about the directors' share bonanza.

They were granted free shares worth £5.4m as part of a £12m rights issue to help fund the contract to run the heavily subsidised line, which runs from London to Stansted

Airport, Cambridge and Peterborough.

Some commentators estimated that the cost of capital to Prism's shareholders of that deal was as high as 50 per cent.

A company spokesman denied institutional shareholders

had revolted against the ratchet scheme. "The directors want the company to appear mature and reflect the public mood."

However, a leading fund manager insisted that leading investors had let it be known they were unhappy with the scheme.

## £100m PO cuts aimed at bosses

Chris Godsmark

Middle and senior managers in the Post Office are to be hit by a £100m cost-cutting programme. John Roberts, chief executive, also announced yesterday a further 15-month freeze in the price of postage stamps lasting until April 1998.

The cost cuts are in response to competitive pressures from other forms of information delivery such as fax machines and electronic mail. Money would be saved by rationalising administrative tasks such as the computer payroll and managerial jobs would "inevitably go" through natural wastage and voluntary redundancy.

The Post Office employs 13,000 managers in regional and national headquarters offices out of a total workforce of 180,000. The plans will be finalised by May. However, the programme

could prove controversial as it will hit managers at the same time as plans to introduce flexible working affecting the main Royal Mail workforce.

Joint working parties appointed to head off further industrial action over the plans have started meeting, with £30m set aside by the Post Office as an incentive to staff to accept the changes. These could include team working and changes to the way mail is delivered.

Meanwhile, the freeze on postal charges means that prices will remain unchanged for 22 months since the last increase in July 1996, when the price of first-class stamps was raised to 26p. Lifting prices by another 1p this year would have raised £150m. The freeze was made possible because the Government has only marginally increased the cash it intends to take from the Post Office in the coming financial year.

## Tesco sales pressurise Sainsbury

Nigel Cope

Tesco increased the pressure on arch-rival Sainsbury yesterday with better-than-expected Christmas sales figures.

Tesco said in the 21 weeks to 5 January total sales growth was 13 per cent with like-for-like sales 8 per cent ahead. In the five weeks covering the Christmas and New Year period, like-for-like sales were 7.5 per cent ahead of the same period last year. The figures were ahead of the industry average of 5.9 per cent and analysts will be looking ahead to Friday when Sainsbury releases its Christmas trading statement.

Bill Myers at Henderson Crosthwaite said: "At first glance the market will obviously think that if Tesco is doing well then they must be hurting somebody and that that somebody is Sainsbury. I think Sainsbury's figures will probably be okay. But not as good as Tesco's."

Tony MacNeary of NatWest Securities said: "These figures put pressure on Sainsbury to come up with something good on Friday. They need to be better than 3 per cent. Even 4 per cent would only be stopping the rot."

Separately, Budgens reported a 4.5 per cent increase in like-for-like sales yesterday and chief executive John

von Spreckelsen said the additional market share was coming from the smaller independent retailers as well as some of the middle-ranking supermarket groups. These include Iceland, Kwik Save and the Co-Op movement.

Tesco's sales increase was boosted by its "Unbeatable Value" promotion launched in September. The number of customers has increased and holders of the group's Clubcard loyalty card have been spending more per store visit. Tesco said Clubcard members had received £56m of money-off vouchers in November. Lord MacLaurin, chairman,

would not be drawn on profits but said he looked forward to reporting "a good set of results in April". Tesco's figures helped the shares 2p higher at 369p while Sainsbury drifted 5.5p lower at 391p.

Somerfield, the former Gateway Foodmarkets group, will report today on its first full trading period since its troubled stock market quote last summer.

NatWest Securities is expecting Somerfield's half-year profits of £54.5m. Though the price of Somerfield shares was twice cut to ensure the float got away they have been strong recently and closed at a peak of 174p yesterday.

## Pru settles out of court with GMB members

Nic Cicutt

Prudential, the UK's largest insurer, yesterday inched closer to offering redress to victims of the pension transfer scandal as it announced an out-of-court settlement with one of Britain's highest unions.

Prudential said it had agreed to pay compensation to 13 members of GMB, the general and boilermakers union, on whose behalf writs had been issued against the insurer.

The company also agreed a process to resolve dozens more cases outstanding against it from GMB members and to pay the union a "significant" contribution towards its legal costs.

John Edmunds, general secretary of GMB, said: "I am delighted that the logjam has been broken and we have achieved a full settlement for many of our members."

GMB said yesterday that in addition to Prudential, it had reached settlements with several other insurers, although it still had 700 legal cases outstanding, including many against Legal & General and TSB.

The average compensation deal reached so far was about £25,000, while the cost of legal action was expected to reach

about £10,000 per case, the union said.

Last year, GMB was among several unions to launch mass High Court action on behalf of thousands of members who were encouraged to opt out of their company schemes and were mis-sold personal pensions instead.

A Prudential spokesman said: "We are extremely pleased to reach a settlement. We believe it has been a waste of time and resources both of GMB and of Prudential to proceed through the courts when there were preferable ways of dealing with it through the machinery already set up by the regulators."

Prudential's comments came as the company yesterday announced a 69 per cent increase in sales of the company's life, pension and investment products around the world to £6.66bn in 1996. Regular premiums rose 13 per cent to £516m. In the UK, single premiums rose 71 per cent to £356m, while regular premiums were up 8 per cent to £303m.

Peter Nowell, group chief actuary at Prudential, said: "What we are seeing is that people are reluctant to commit themselves to saving for a long time."

### IN BRIEF

• The Lloyd's of London insurance market will almost certainly recommend a move towards external supervision and away from its current self-regulatory status, senior market watchdogs said. "I would be surprised if the regulatory review does not recommend some sort of external overview," David Gittings, director of Lloyd's regulatory division, said. A review group set up in 1996 to consider market regulation is due to report by the middle of this year. The Conservative Party said in 1995 that it would review Lloyd's regulation in 1997, while Labour is expected to carry out a review of all financial services regulation if it forms the next government, he added.

• The London Stock Exchange published rules governing the American-style automated order book for FTSE 100 stocks, due to be introduced later this year. This will enable member firms and market-users to prepare for customer testing which begins in April. Responding to the market's comments on opening hours, the pre-opening time for the inputting of orders has been reset at 8am (from 7.45am) with opening now fixed at 8.30am (from 8am). Suspensions of automated execution in a specific share will also be introduced in response to a 10 per cent price movement (previously 5 per cent) and for no more than 10 minutes (from 15 minutes).

• Reed-Elsevier is in advanced talks to buy Colofon, a Dutch publishing group, for about £70m. The deal is expected to enhance earnings in the first year and should be completed in a few weeks, the Anglo-Dutch publisher said in a statement.

• Abbey National is buying a 5 per cent stake in Dah Sing Financial Holdings, one of Hong Kong's leading commercial and retail banks, for HK\$381m (£30m). Last year Abbey, Dah Sing and Hambros, the merchant bank, set up a private banking joint-venture. Peter Birch, chief executive of Abbey National, said: "This investment continues Abbey National's cautious approach to developing business in Hong Kong and South-east Asia. Dah Sing and Abbey National are looking at possible areas for future co-operation in both the wholesale and retail business."

• The environment created by such institutions as government, the civil service, the professions and the education system is to blame for British manufacturers' inability to close the gap with competitors, according to a report to be published next month. The study, *Reassessing the Context of Manufacturing Success*, by the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) is based on interviews with senior industrialists, policy-makers and academics and covers some of the same areas as today's long-awaited report, *Promoting Prosperity*, by the Commission on Public Policy.

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£250,000-£499,999	6.375% gross	5.10% net	£5,000-£24,999	5.875% gross	4.70% net

GROSS RATE is the contractual rate of interest payable not taking account of the deduction of income tax at the lower rate. NET RATE is the rate which would be payable after allowing for the deduction of income tax at the lower rate. The Tax Deduction Scheme for Investors (TDSI) may vary and, therefore, the net rate is given as an illustration only. Tax will only be deducted in those cases where the Bank is obliged to do so. A quarterly interest payment option is also available to Barclays Business Account holders. Availability is limited. Further details available on request.



## Majestic buoyant on bubbly sales

Nigel Cope

Buoyant sales of champagne and Chateau wine helped Majestic Wine Warehouse to a spirited Christmas performance in its maiden results since last November's AIM flotation.

While most of the champagne-buying was seasonal, the company said it had sold large quantities of vintage bottles to forward-thinking party-givers who are already planning ahead to New Year's Eve celebrations at the millennium.

Majestic has been urging customers to buy their bubbly in advance of 1999 when it will make "very good drinking". Majestic has pre-sold some champagne which it is storing for delivery for the Millennium parties.

The comments came as Majestic announced a slip into the red in the first half to September. Profits of £114,000

turned into a loss of £82,000 as the company continued to invest in store expansion.

A further two stores were opened in November taking the total to 61. Another site will open in Manchester next month. Majestic plans to have 70 stores by March 1998.

"We have got several now at an advanced stage both legally and in terms of planning applications," said Tim How, the chief executive.

The expansion will be funded from existing resources which were boosted by the £2m raised via the group's AIM flotation last year.

Majestic recorded impressive gains with sales in the three months to 30 December 22.4 per cent ahead of the same period last year. Stripping out the contribution from new stores, like-for-like sales growth was also impressive at 10.8 per cent. For the five weeks over

Christmas, like-for-like sales were up by 12.7 per cent.

Majestic has proved a sterling performer since its shares were priced at 160p in November. Yesterday they edged up a further 2.5p to 290p.

Most of the wine market is accounted for either by super-markets or by high-street off-licence chains such as Threshers and Victoria Wine. However, Whitbread is testing a warehouse-style off-licence formula which sells beer and spirits as well as wine.

Majestic was acquired by the current chairman John Apthorp who controlled a rival chain, Wizard Wine. Mr Apthorp had made his fortune through the sale of the Bejam frozen food stores to Iceland. He still controls 55 per cent of the shares.

The directors have pledged not to sell the bulk of their shareholdings until 1998.

## Saltire hit by strong sterling

Saltire, the struggling electronics distributor formerly known as Cannon Street Investments, saw its shares slide 14p to 77.5p after warning that the strong pound would hit profits, writes Magnus Grimond.

The news prompted UBS, the group's broker, to slash its estimate for last year from £3.2m to just £600,000 and from £4.2m to £3.5m for the current year.

Saltire said weak continental demand for the Altai range of electronic products was being exacerbated by sterling's gains. A second problem has been Saltire's Network operation in Romania, which is involved in managing and supplying technology and components for a state-owned television manufacturing line. A lack of hard currency has prompted the group to limit the supply of components and profits have been hit as a result.

Finally, the group said the performance of its Maplin catalogue and high street retailing operation in the UK had been held back.

## Ushers heads to the stock market again

Tom Stevenson  
City Editor

Ushers of Trowbridge is having a second stab at floating on the stock market, two years after its first attempt was pulled. News of the planned issue, which is expected to give the regional brewer a market value of up to £130m when shares start trading in February or March, accompanied results for the year to October showing a 9 per cent rise in operating profits to £16.9m.

Ushers first tried to come to market three years after a management buy-in from Grand Metropolitan was followed by the acquisition of a 430-strong

pub estate from Courage. Market conditions were against the first attempt, compounded by worries that a brewing contract with Courage would expire without the business being replaced.

Roger North, chief executive, said yesterday Ushers had created a strong contract brewing business to replace the Courage contract which ran out in November. Ushers has rebranded and refurbished its estate, which numbers 542 mainly tenanted pubs. The brewer's own ales have been introduced throughout the pub chain and Ushers' beers account for 65 per cent of sales from a standing start.

Company Results				
	Turnover £	Pre-tax £	EPS	Dividend
Ashtead Group (1)	74.4m (43.1m)	14.4m (8.7m)	7.63p (6.47p)	0.72p (0.62p)
Budgens (1)	183m (171.8m)	5.04m (4.29m)	2.35p (2.08p)	0.40p (0.35p)
Farpack (1)	30.7m (16.8m)	1m (364,000)	2.77p (nil)	2.75p (2.45p)
Heritage Bathrooms (1)	8.48m (7.35m)	1.98m (1.21m)	7.4p (5.3p)	2.2p (1.82p)
Majestic Wine (1)	21.94m (17.18m)	-82,000 (114,000)	-4.26p (2.07p)	nil (-)
Millie Group (1)	91.34m (72.06m)	3.25m (2.5m)	3.2p (2.6p)	0.5p (0.72p)
St. Country Homes (1)	-	79,891 (19,732)	0.84p (0.35p)	nil (nil)

(1) - Final (1) - Interim (1) - Nine months

## Ashtead still towers above the rest

### THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Ashtead has always stood out in the depressed construction sector. When recession hit in 1990, the plant hire specialist quickly reinvented itself, gradually reducing the amount of direct construction work in the UK from almost 100 per cent to about 25 per cent through a series of acquisitions, mainly in the US, where the rental market is less developed.

It proved to be an inspired move. Unique among rivals such as Vibroplant and Hewden Stuart, Ashtead's profits and earnings have continued to bound ahead, despite hire rates for traditional equipment in the UK such as dumper trucks and compressors being at least 30 per cent below their peak at the start of the decade. In the second quarter rental rates for some products touched record low levels and no pick-up is forecast in the foreseeable future.

Even Ashtead has felt the pinch, with operating margins in UK plant hire slipping by over three percentage points to 17.3 per cent in the six months to October. But a marketing-led approach and decentralised management structure, including an innovative monthly profit share scheme for staff, mean Ashtead continues to grab market share in tough market conditions.

Interim net profits have risen 10-fold in the past five years and the 18 per cent improvement in earnings per share to 7.63p was struck after integrating Ashtead's biggest acquisitions - McLean Rentals in the US and Leads Acrow in the UK - for a rights issue of £52m. The figures are all the more impressive because they include just £800,000 from the sale of retired equipment against £5m for the whole of last year, while £5.4m was charged against the profit and loss account for spares and parts against £2.4m in the corresponding period.

The US, currently almost a third of sales, is earmarked for further growth. Peter Lewis and George Burnett, Ashtead's founders, reckon rental rates are twice as high across the pond and the fragmented market there is ripe for consolidation. Ashtead operates out of 26 locations in eight US states but the target is to double this by the spring of 1999.

Mr Lewis and Mr Burnett were so encouraged by the reception they got on a US roadshow in October that they are looking into floating Ashtead on the New York stock market this year. They note that the sector is developing a following among American investors and two US plant hire groups recently went public on stratospheric price/earnings multiples. Certainly, Ashtead is right to go down this route. Its US business alone could be worth more than Ashtead as a group.

History suggests caution. The problem is the US has proved a graveyard for UK players in the past. A year ago, for example, Vibroplant pulled out of the American plant hire business.

Ashtead, with its proven track record, may fare better. But on BZW's forecast of £29m at the pre-tax level the shares, down 3p at 230.5p, look about right on a PE ratio of 15 falling to 12 the following year. Hold.

## Mighty Mitie is cleaning up

When the seasoned investor unearths a company whose acronym stands for "management incentive through investment equity", he could be forgiven the temptation to run a mile. Mitie, a cleaning to building services contractor, is just one of the latest models in the long and chequered history of those claiming to have discovered the holy grail of management motivation.

Proponents have included the ill-fated Cannon Street Investments and Southern Business Group, whose problems were solved by a takeover.

Mitie's own brand involves finding thriving management teams and wrapping them in a cocoon of administrative, financial and marketing support. This all-embracing parcel is then tied

up with a minority stake in the resulting Mitie subsidiary, which can be bought out or swapped for a tax-efficient stake in the top company's quoted shares after five years. Thus far, the formula has been a runaway success: only one of Mitie's managers has elected to sell out of a group which now comprises 47 subsidiaries. More importantly, compound earnings growth has run at 22 per cent since 1990, a record which looks set to be at least equalled in the current year.

Yesterday the group reported a 28 per cent rise in pre-tax profits to £3.25m for the six months to September. After a strong performance on Friday the shares slipped 4.5p to 194p but they are still several times the 34p they were at five years ago.

Mitie looks more solidly based than many of its predecessors at this game. Management, led by the chairman, David Telling, have plenty of experience in the business. They also appear to be vacuuming up business being cast off by the big facilities management groups. Contracts ranging from a £1m job cleaning Barclays branches in the Midlands to refurbishing London's Claridges hotel, expected eventually to be worth over £10m, look juicy.

With less than 2 per cent of some extremely large markets, Mitie also has plenty of opportunity to grow. Margins, around 3.5 per cent, are well on the way to 5 per cent and profits of £8.1m are in prospect for the current year, putting the shares on a forward multiple of 25, falling to 20. Not cheap and the market in the shares is thin, with 60 per cent in management hands, but Mitie could be the next Rentokil.

## Outlook rosier at Budgens

At first glance Budgens is not in an enviable position. Sandwiched between the superstores and the discounters it has lost its primary shoppers to one group and the bargain-hunters to the other. With a market share of just 0.4 per cent it is clearly a minnow among whales and its brand is hardly the strongest.

It is not the rosier of scenarios but in spite of all this Budgens' future is not as black as it seems. Since management under John von Spreckelsen abandoned the failed Penny Market discount format to concentrate more on fresh foods, Budgens' fortunes have been improving. Even the stormy relationship with German shareholder Rewe, which holds a 29.9 per cent stake, seems to have calmed down.

Yesterday's results continued the consolidation. Half-year pre-tax profits up 17.7 per cent to £5m were in line with expectations and the like-for-like sales increase of 4.5 per cent was creditable. Margins have edged ahead due to buying efficiencies gained through membership of a £3bn buying consortium which also includes Lloyds and Costcutter.

Budgens now concentrates on offering a convenient high street location for consumers to buy their top-up shops. One of the most interesting parts of its strategy is to develop small stores on petrol forecourts through joint ventures with Q8 and Mobil. Budgens is not alone in this area and some smaller formats of the superstore groups could form formidable competition. But Budgens could steal a march on some competitors as its joint venture deals give it a ready access to good sites.

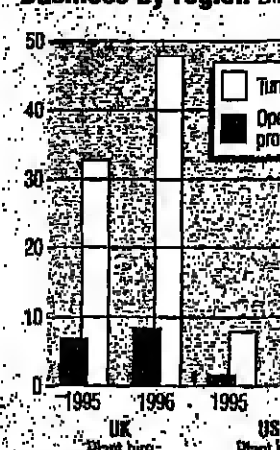
Finally, if Budgens cannot trade its way to a degree of success, shareholders could benefit from possible speculative interest. At 45.75p, down a penny yesterday, the shares are not at much of a premium to net asset value of 42p. As out-of-town planning restrictions bite, Budgens' high street locations could eventually prove attractive to a larger competitor. With Henderson Crosthwaite forecasting full-year profits of £8.8m, the shares trade on a forward rating of 13. About right.

### Ashtead Group: At a glance

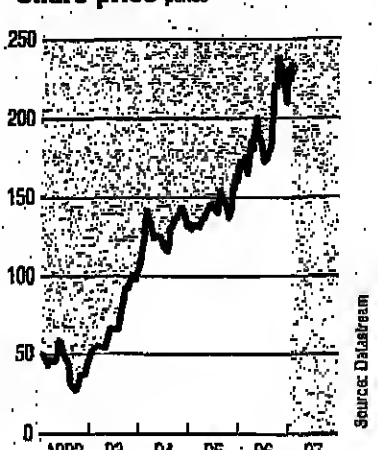
Market value: £318.1m, share price 230.5p

Trading record	1994		1995		1996	
	full year	half year	full year	half year	full year	half year
Pre-tax profits (£m)	7.0	13.6	16.8	8.7	14.4	7.9
Operating profits (£m)	2.6	10.7	14.0	6.4	7.0	3.6
Dividends per share (pence)	1.73	2.33	3.04	0.62	0.72	

### Business by region



### Share price



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# market report / shares

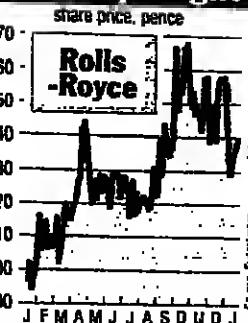
Taking Stock

## Hopes of a deal generate new interest in Rolls-Royce

### Data Bank

FTSE 100	4194.0	-13.7
FTSE 250	4580.2	-3.2
FTSE 350	4580.2	-3.2
2082.0	-5.7	
SEAQ VOLUME	756m shares	
53,806 bargains		
Gifts Index	95.03	-0.20

### Share spotlight



Rolls-Royce, in the shape of aero engines and limousines, captured much of the stock market limelight.

In a dull, hesitant session Rolls, the maker of aero engines, pulled out of a long dive on hopes of a deal over its Parsons turbine generator operation, and Vickers, owners of the famous Rolls-Royce and Bentley cars, pulled forward on talk it may sell its vehicle side.

The rest of the market seemed spooked by Alan Greenspan, the US banking chief. The man who sent shivers through the world's share markets last month is due to make an important speech to the Senate budget committee today.

The fear is that he will repeat his message that share markets are overheating. After all his earlier bluster had only a short-term impact. After knee-jerk jitters shares recaptured their old buoyancy and

the Dow Jones Average has risen more than 400 points since Mr Greenspan's cool-it-down advice.

After a bright start Footsie and the supporting FTSE 250 fell from their peaks. Footsie lost 13.7 points to 4,194 and the 250 3.2 to 4,580.2.

Rolls, stripped of the Rolls-Royce marquee when its aero engine side sent it crashing to disaster in the 1960s, climbed 6.5p to 239.5p.

It was re-listed 10 years ago and is one of the more poorly performing privatisation shares.

Like British Aerospace it is pressing the Government to remove a ceiling on overseas shareholdings.



### MARKET REPORT

#### DEREK PAIN

stock market reporter of the year

Currently foreign investors are restricted to 29.5 per cent of the capital. The overseas interest in both companies is now around 26 per cent.

Vickers, with a wide range of engineering activities, moved ahead 11p to 270.5p. The Challenger tank group, some are convinced, contemplating selling its Rolls division either through a trade sale or flotation. It could feel the time is ripe for a Roller deal, sales of Rolls and Bentleys are the highest for six years.

BT was another in form. Thoughts that the giant deal with MCI, the US group, could, if it goes through, sharply increase institutional

interest lifted the shares 5.5p to 423.5p, highest since 1994. Four profit warnings took their inevitable toll. Thurn, the rental group demerged from the EMI showbiz operation in the summer, crashed 42.5p to 209p. Kingsbury, the furniture retailer, lost 94.5p to 205p after it said profits would not meet market expectations; and a gloomy message from Saltire, once Cannon Street Investments, lowered the price 14p to 77.5p.

But the market's rage was reserved for Vindex. The plastic group fell 92.5p to 173.5p following a warning that half-year profits will be down. A week ago the company of-

tered a robust trading statement, containing not a hint of lower profits.

Burmab Castrol, the oil group, was hit by Cazenove caution, off 25p to 1,041.5p. Merrill Lynch put a 900p target on insurer General Accident, up 6p to 828.5p.

There was a smattering of gains among computer shares with CMG leading the pack, up 7p to 1,045p.

The hard-pressed spirits sector displayed modest strength. Allied Domecq edged ahead 3.5p to 416p. Grand Metropolitan 6p to 438.5p and Guinness 6.5p to 438.5p.

British Building & Engineering moved ahead 3.5p to 55p, a 12-month high, as Britannia, off 3p to 52.5p, said its stake is 6.89 per cent.

It was the first time that Britannia, a builder, had disclosed an interest in the hard-pressed building materials group. BBCE could well be recep-

tive to a bid approach. It has talked about the possibility of a strategic merger. In recent years it has undergone substantial restructuring and said in October, when announcing a £2.25m loss, it had moved into profits.

In a generally firm building sector ANEC was active, up 1p to 98.5p. Tibury Douglas was also in demand. A 520,000 trade at 560p inspired a 45p gain.

Hay & Robertson, the sports goods group, rose 4p to 138.5p on its merchandising link with Terry Venables.

Tottenham Hotspur slipped 17.5p to 67.5p following the latest defeat and "take profits" advice.

Rosson, developing a luxury goods group, was hit by a run of sell orders with one for nearly 80,000 shares going through at 22.25p.

A rash of buy circulars on Robert H Lowe are expected. The market appears to have got wind of at least three recommendations suggesting profits will hit £2.5m this year (up from £2.4m) with £3.4m likely next year. The company produces replica football kits for a host of top teams and its shares, up 1.25p to 28.5p, are lowly rated compared with others, from football clubs to retailers, enjoying the sports boom. The group also has packaging and printing interests.

Eidos, the entertainment software group, has linked with MGM. It has obtained the European distribution for a series of computer games, including The Ultimate James Bond. Last month the group raised £22m in the US by selling 3 million shares in ADR form. The shares are 670p, up 15p.

### Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The provisions (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: R = Ex-dividend; E = Ex-dividend; S = As at Unlisted Securities Market; S = Suspended; P = Fully Paid; P = Part Paid; S = A.M. Stock. Source: FT Information

### The Independent Index

The index allows you to access real-time share prices by phone from London Stock Exchange Supply dial 0891 323 333, and when prompted to do so enter the 4-digit code printed next to each share. To access the latest financial reports dial 0891 1233 followed by one of the two-digit codes below.

FTSE 100 - Real-time	00	Starting Rates	04	Privatisation Issues	36
UK Stock Market Report	01	Buffer Report	05	Water Shares	39
UK Stock Market Report	02	Wall St Report	20	Electricity Shares	40
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### Market leaders: Top 20 volumes

Stock	Vol	Stock	Vol	Stock	Vol	Stock	Vol
British Telecom	1,000,000	British Telecom	1,000,000	British Telecom	1,000,000	British Telecom	1,000,000
British Telecom	1,000,000	British Telecom	1,000,000	British Telecom	1,000,000	British Telecom	1,000,000

### FTSE 100 index by hour

Open 4943 down 32	11.00 4207.17 up 132	14.00 4200.33 up 33
09.00 4938.29 down 39	12.00 4203.44 up 59	15.00 4202.00 up 45
10.00 4211.15 up 26	13.00 4198.55 up 10	16.00 4205.00 up 81
		Close 4207.17 up 102

### Alcoholic Beverages

Adnoca	100	100	100
Adnoca	100	100	100

### Banks, Merchant

Barclays	100	100	100
Barclays	100	100	100

### Banks, Retail

ABN-Amro	100	100	100
ABN-Amro	100	100	100

### Diversified Industrials

Adnoca	100	100	100
Adnoca	100	100	100

### Breweries, Pubs & Rest

Adnoca	100	100	100
Adnoca	100	100	100

### Electricity

Adnoca	100	100	100
Adnoca	100	100	100

### Building/Construction

Adnoca	100	100	100
Adnoca	100	100	100

### Electronics

Adnoca	100	100	100
Adnoca	100	100	100

### Food Manufacturers

Adnoca	100	100	100
Adnoca	100	100	100

### Gas Distribution

Adnoca	100	100	100
Adnoca	100	100	100

### Health Care

Adnoca	100	100	100
Adnoca	100	100	100

### Household Goods

Adnoca	100	100	100
Adnoca	100	100	100

### Insurance

Adnoca	100	100	100
Adnoca	100	100	100

### Life Assurance

Adnoca	100	100	100
Adnoca	100	100	100

### Media

Adnoca	100	100	100
Adnoca	100	100	100

### Property

Adnoca	100	100	100
Adnoca	100	100	100

### Support Services

Adnoca	100	100	100
Adnoca	100	100	100

### Telecommunications

Adnoca	100	100	100
Adnoca	100	100	100

### Textiles & Apparel

Adnoca	100	100	100
Adnoca	100	100	100

### Tobacco

Adnoca	100	100	100
Adnoca	100	100	100

### Transport

Adnoca	100	100	100
Adnoca	100	100	100

### Water

Adnoca	100	100	100
Adnoca	100	100	100

### Investment Trusts

Adnoca	100	100	100
Adnoca	100	100	100

### Index-linked

Adnoca	100	100	100
Adnoca	100	100	100

### Shorts

Adnoca	100	100	100
Adnoca	100	100	100

### Longs

Adnoca	100	100	100
Adnoca	100	100	100

### Medians

Adnoca	100	100	100
Adnoca	100	100	100

### Undated

Adnoca	100	100	100
Adnoca	100	100	100

### Distributors

Adnoca	100	100	100
Adnoca	100	100	100

### Government Securities

Adnoca	100	100	100
Adnoca	100	100	100

### Rights Issues

Adnoca	100	100	100
Adnoca	100	100	100

### Recent Issues

Adnoca	100	100	100
Adnoca	100	100	100

### Support Services

Adnoca	100	100	100
Adnoca	100	100	100

### Telecommunications

Adnoca	100	100	100
Adnoca	100	100	100

### Textiles & Apparel

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Adnoca	100	100	100

### Tobacco

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Adnoca	100	100	100

### Transport

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Adnoca	100	100	100

### Water

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### Investment Trusts

Adnoca	100	100	100
Adnoca	100	100	100

### Index-linked

Adnoca	100	100	100
Adnoca	100	100	100

### Shorts

Adnoca	100	100	100
Adnoca	100	100	100

### Longs

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Adnoca	100	100	100

### Medians

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Adnoca	100	100	100

### Undated

Adnoca	100	100	100
Adnoca	100	100	100

### Distributors

Adnoca	100	100	100
Adnoca	100	100	100

### Government Securities

Adnoca	100	100	100
Adnoca	100	100	100

### Rights Issues

Adnoca	100	100	100
Adnoca	100	100	100

### Recent Issues

Adnoca	100	100	100
Adnoca	100	100	100

### Support Services

Adnoca	100	100	100
Adnoca	100	100	100

### Telecommunications

Adnoca	100	100	10
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# Burns sent to stand for a year

**Football**  
**WESLEY KETTLE**

Tommy Burns, the Celtic manager, has been banned from the touchline for a year by the Scottish Football Association, and has also been hit with a £2,000 fine.

Burns has his case considered in his absence yesterday in Glasgow by a disciplinary committee meeting, which ruled on a touchline temper tantrum during an Old Firm defeat at Celtic Park last November.

Burns had raced along the pitch in pursuit of an assistant referee, Eric Martin, before being restrained. He was later sent to the stand by the referee, Hugh Dallas. Yesterday the SFA considered the case without making public its decision, but sources confirmed that Burns will now have to sit in the stand for the next 12 months.

Burns was also fined £2,000 to add to a previous fine of £3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a ban on this occasion, declined to comment on the decision which will leave his assistant, Billy Stark, in control on the touchline.

The Hearts manager, Jim Jeffries, appeared before the committee in person and left with a £500 fine. The same fine was handed out to the Airdrie manager, Alec MacDonald, while the former Scotland and West Ham full-back, Ray Stewart, now the assistant manager of Stirling Albion, has been banned from the touchline until the end of the season.

Jeffries clashed with Dallas and an assistant referee, Alan Freeland, after Hearts lost the Coca-Cola Cup final to Rangers 4-3 at Celtic Park last November. Jeffries claimed Hearts should have been awarded a foul in the lead-up to a Paul Gascoigne goal for Rangers, but neither Freeland nor referee Dallas signalled for the offence.

"We were pretty hyped up that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jeffries said. He accepted his fine but was in agreement that a change is possibly required to

prevent a repeat of the scenes in the immediate aftermath of the final. Hearts and their management were kept waiting on the pitch until a rostrum was assembled at Celtic Park for the trophy presentation to Rangers. It was during this break that Jeffries had to be restrained by colleagues from taking his grievances with the officials further.

"I think there might be lessons to be learned," Jeffries said. "It might be wiser to take players inside to the dressing-rooms first and then have the presentation thereafter."

Stewart has been banned from the dug-out until next season after a row with officials during Stirling's 5-2 defeat at Falkirk. MacDonald was fined £500 for "using foul language" to an assistant referee after Airdrie's match at St Mirren.



One on one: Cesare Maldini, the new Italy coach, talks tactics at a press conference following his first training session in Rome yesterday. Photograph: Allsport/Grazia Neri

# Bergkamp fears unwanted break

Dennis Bergkamp yesterday began almost a month in the shadows, wondering whether a moment's madness would put an end to the best form of his Arsenal career.

Bergkamp, who has scored breathtaking goals in each of Arsenal's last two matches, is suspended for their next three. It is his punishment for being sent off for a rash tackle on Sunderland's Paul Bracewell on 11 January. With FA Cup replays and England's match with Italy complicating the schedule, it means he will not play again until 15 February.

"It was a silly foul but I was surprised to be sent off," he said somewhat ruefully yesterday. "It was my first tackle."

"The suspension could be a problem. Apart from injury, I have never been out for so long before. I have only been suspended once before, for one

**Glenn Moore finds Arsenal's Dutch craftsman happy with sporting life in England despite his impending suspension**

match with Ajax after I was sent off for two handballs in the same game.

"I will try something in training but it is difficult. It is not the same as playing matches. You saw with Ian Wright [against Everton] on Sunday, he trained hard but when he came on he lasted only half a match. It will be difficult to be in the same form when I come back."

"It is a pity because this is the best form I have been in since I was at Ajax," Bergkamp, who has scored seven times for Arsenal this season, added. "I still feel I can do better. I should score more goals with the chances I have had. There is more to come from me."

"This season has been better for me because I have got used

to the team, it is easier for me to find them and them to find me. English football is more difficult than it looks. When you see it on television you think it must be easy because there is so much space but, when you play in it, it is very tough to keep up with the pace.

"That makes it more difficult than in Italy. People here expect forwards to do other things, not just wait up front for the chance, for the moment. They want you to work for the team."

"But I would think that players like Violi and Ravanelli would do well here because they are strikers who keep running. Maybe they have found the pace here, it is why I have suffered more injuries than I

did with Ajax or Inter."

Given a month without matches, many foreign players would be tempted to head home, but Bergkamp and his family are staying in their leafy home just north of the capital in M25 country.

"I have no wish to go to Holland," he said. "I feel OK here. It is better to stay with the team and keep together, especially when we are going well."

"It is hard to say if we can win the championship. We have just had a good game [Sunday's 3-1 win over Everton] so everybody is feeling positive. The championship is the highest achievement you can win, it is over a season - cups you can lose through one bad game." Bergkamp, who won league

titles with Ajax but not Internazionale, added: "The English championship is right up there with the Italian one. It is easier in Holland."

"Liverpool and Manchester United are our strongest challengers. They have to come here, all the top teams have to. That could be a problem for them. We have to win those games and make Highbury a place that other teams are scared to play at."

Bergkamp collected his third man of the match award on Sunday and Arsène Wenger, the Arsenal manager, noted wryly: "Every time he comes in the dressing room, he has a bottle of champagne with him. He has enough to open a shop."

"The Dutchman may be better advised to keep the champagne bottles on ice. They may come in handy at the end of the season..."

# FA to combat last-minute cancellations

The Football Association has stepped in to avoid a repetition of the furore caused by last week's last-minute cancellations in the FA Cup.

The FA Competitions secretary, Steve Clark, has written to all the clubs left in the competition, advising them of new guidelines designed to prevent fans making pointless journeys.

Clark has ordered the home clubs to ensure the match official - or an FA appointed referee - inspects the pitch before the likely departure time of visiting fans. Pitch inspections should also take place the day before the game if it is felt that the match is in doubt.

Clubs are also being ordered to monitor pitch conditions and advise the FA and the media of inspections if they are necessary, while fans should not be allowed into grounds if there is any chance of the game being called off.

Steve Double, the FA spokesman, said: "We want to do what we can to avoid fans having long, expensive and wasted journeys."

Leeds United's new owners are attempting to purchase Elland Road from the city council. The local authority bought the ground in 1983 for £2.5m, but now Caspian is ready to pay double that amount to buy it back. However, the council values the ground at around £20m.

Stoke City's new £15m ground, to be opened in August, will be named the Britannia Stadium after a 10-year sponsorship deal with the Britannia Building Society worth £1.3m. The main road leading to the site will be called Stanley Matthews Way.

# Larder looks to former club

**Rugby League**  
**DAVE HADFIELD**

Phil Larder, the Sheffield Eagles coach, got his men within minutes of yesterday's Challenge Cup deadline, when he signed Martin Wood and Nick Pinkney from his former club, Keighley.

Sheffield have had to part with £95,000 plus the veteran full-back Mark Gannon, one of the first players the club signed when it was set up in 1984.

Larder failed to land his other target, Widnes' utility forward, Steve Currie, but says he is still interested in him despite missing the deadline.

Warrington have moved to counter their pre-season prop crisis by signing the Leeds forward George Mann on loan until the end of June. The club suffered a triple blow in the friendly against Salford on Sunday when they lost one front-rower, Mark Hilton, with serious shoulder damage and two others, Gary Chambers and Dallas Mead, with leg injuries.

Hilton will need an operation and could miss the whole of the Super League season, while Mead and Chambers will be out for at least two weeks, raising the fear that they could miss the

start of Warrington's Challenge Cup campaign.

Having tried and failed to resign their former player Steve Molloy from Featherstone, Warrington switched their attention to the experienced New Zealand Test forward, who was not offered new terms at Headingley for this season.

The other major signing on a deadline day now oddly stranded in the middle of the close season saw Wigan finally able to register the Auckland Warriors back-rower, Stuart Lester, who had been refused a work permit, but that difficulty has now been overcome.

Jon Hamer, who played for the Bradford Bulls in last year's Challenge Cup final, has completed his move to Second Division York.

Tommy Martyn has become St Helens' latest representative in the Great Britain squad for the World Nines in Townsville at the end of this month. The original selection, limited to one player per club, was Keiron Cunningham, who pulled out with a recurrence of a knee injury. Now Bobbie Goulding - in dispute with St Helens over an improved deal - has withdrawn, after originally agreeing to be Cunningham's replacement.

# Palmer leaves BOA to aid Academy bid

**Olympic Games**

Dick Palmer is to relinquish his position as general secretary of the British Olympic Association after 20 years to concentrate on the BOA's bid to establish a British Academy of Sport.

"The Academy of Sport is so important to the BOA," he said. "It epitomises what we are all about. Our role in the project is critical. I am devoting myself full-time to develop that input."

The BOA are one of three groups involved in one of the 13 sites, the former United States Air Base at Upper Heyford, near Oxford, that have been shortlisted for the academy. They face strong opposition from other bidders, including ones in the East Midlands, Sheffield, Bath, Manchester and Birmingham.

Meetings to assess the bids are to be held between 3 and 11

February and the Sports Council is expected to announce the successful bid in mid-March.

"The aim of the academy is to improve sport across the board and to help our athletes perform better on the international scene," Palmer said.

The BOA chairman, Craig Reddie, called the proposal to establish an academy "the most exciting and significant development in British sport for many years." He said: "It will enable our sportsmen and women to compete on equal terms with the best in the world."

He said of Palmer: "His reputation in this country and in the Olympic movement world-wide is unparalleled."

Palmer, a member of the International Olympic Committee Commission for the 2000 Olympic Games in Sydney, will be succeeded by his deputy, Simon Clegg, as the acting general secretary of the BOA.

# Arrowsmith on target

**Figure skating**

Britain's Jenna Arrowsmith finished 13th in her qualifying group in the European Championships in Paris yesterday, good enough to win her place in Friday's short programme.

Arrowsmith, 16, was skating in Group A, won by Maria Butyrskaya of Russia. The Ukrainian, Elena Lashchenko, led the second group of skaters.

Surya Bonaly, France's five times European champion who is competing in her first major competition since suffering an Achilles injury doing acrobatics

in May, struggled to qualify in sixth place in Group B.

Bonaly won a place in the French team at the last minute after appealing against her federation's decision to drop her on the grounds that she was not fit.

"I think I can be better when it is more serious," Bonaly said. "I was a bit scared and it was stupid to be scared for this because it was just a qualification. But it was difficult for me to be in good shape for this one. Right now my confidence is only about 60 per cent."

She completed only three triples in her routine, two ice loops and a salchow.

# Mixed reception for Labour terrace talk

**JON CULLEY**

Suggestions by the Labour Party that standing terraces could return to major British football grounds has been dismissed as impractical by top clubs and condemned as a "cheap gimmick to get votes" by families bereaved by the Hillsborough disaster.

Tom Pender, the shadow sports minister, says Labour is prepared to listen to arguments in favour of re-opening standing areas that were closed in major grounds as the recommendation of Lord Justice Taylor following the 1989 tragedy at Sheffield Wednesday's stadium, when 95 spectators died as a result of a

crush on the terraces at an FA Cup semi-final.

Pender is endorsing an electronic crowd monitoring system developed by an engineering firm in Warrington which, it is claimed, makes standing terraces safe. The move has been welcomed by football supporters' groups, who say many fans would still prefer to stand at matches despite the massive up-grading of facilities that followed the Taylor Report.

But the FA Carling Premiership and the Football League yesterday expressed doubts that clubs in the Premiership and the Nationwide League First Division would be prepared to re-introduce standing areas, and a

Football Association spokesman, Steve Double, said: "Clubs would see going back to terraces as something involving a lot more expense."

Trevor Hicks, the chairman of the Hillsborough Families' Support Group, who lost two daughters at Hillsborough, attacked the move as a "retrograde and potentially dangerous step for which there is no sensible argument in support. One could be childish and say it is a cheap gimmick to get votes."

Pender said that there was a great feeling among fans that all-seat stadiums lack the atmosphere generated by the packed terraces of old and that high charges for seats were pricing cer-

tain spectators out of the game. "No one is advocating going back to standing areas all across the ground," he said. "But football supporters are saying that there should be a healthy mix. We owe it to the people who died at Hillsborough, Heysel and Bradford to make sure that safety is paramount, but nuclear scientists in Warrington have developed these safe standing areas and we have to look at it."

A research team at NNC, formerly the National Nuclear Corporation but now a private engineering consultancy, devised the system in the wake of Hillsborough but too late for consideration by Lord Justice Taylor. No football club approached

about the system has taken it up, but a version was used to aid crowd safety in Trafalgar Square on New Year's Eve.

The system works by installing pressure sensors at strategic points, such as crush barriers and exit gates. These are linked to a computer screen which would warn if crowd pressure was reaching dangerous levels.

Rogan Taylor, a former chairman of the Football Supporters' Association and now a football researcher at Liverpool University, welcomed Pender's move. "Fans really miss the terraces," he said. "Going to Liverpool is not the same as it once was."

Leading article, page 11

# Negura faces drugs ban

**Athletics**

Romania's Iulia Negura could be stripped of her European women's cross-country title and banned for four years after testing positive for steroids.

The Romanian athletics federation said yesterday that Negura failed two doping control tests last month, both times for the steroid stanozolol - the same drug which led to the Canadian sprinter Ben Johnson being thrown out of the 1988 Olympic Games.

Nicolas Marascu, the head of the Romanian federation, said Negura failed an out-of-competition test in Romania on 4 December. She tested positive

again after winning the European Cross-Country Championships in Charleroi, Belgium, on 16 December. "An investigation is under way and for the moment she is not allowed to compete," Marascu said.

Under the rules of the International Amateur Athletic Federation, an athlete faces an automatic four-year ban if found guilty of using steroids. Negura, 29, finished eighth in the 10,000m final at the Atlanta Olympics. She won the world 15-km road title in 1990 and 1991. Sweden's Sara Wedlund, who finished second in Charleroi, would be declared the European champion if Negura is stripped of the title.

**American Football**

Dan Reeves has taken over as the coach and head of football operations of the Atlanta Falcons on a five-year contract. Reeves, 55, who was dismissed by the New York Giants at the end of the season, succeeds June Jones.

**Basketball**  
NBA: Orlando 99 Heat 87; Houston 102 Chicago 82; Indiana 111 Philadelphia 107; Vancouver 100 Toronto 82; Cleveland 107 LA Clippers 102; Portland 102 Utah 96.  
NBA: Seattle 100 Chicago 82; New York 94 Boston 82.  
CLASSIC COLLEGE: Oregon State 75, 76; UCLA 75, 76; Stanford 75, 76; USC 75, 76; Washington 75, 76; Wisconsin 75, 76; Michigan 75, 76; Illinois 75, 76; Kentucky 75, 76; Duke 75, 76; North Carolina 75, 76; Texas 75, 76; Arizona 75, 76; California 75, 76; Oregon 75, 76; Washington State 75, 76; Arizona State 75, 76; Colorado 75, 76; Utah State 75, 76; Nevada 75, 76; New Mexico 75, 76; Texas Tech 75, 76; Oklahoma State 75, 76; Iowa State 75, 76; Kansas State 75, 76; Missouri 75, 76; Arkansas 75, 76; Louisiana State 75, 76; Mississippi State 75, 76; Alabama 75, 76; Georgia 75, 76; Florida 75, 76; South Carolina 75, 76; North Carolina State 75, 76; Virginia Tech 75, 76; Wake Forest 75, 76; Clemson 75, 76; Georgia Tech 75, 76; Auburn 75, 76; LSU 75, 76; Texas A&M 75, 76; Baylor 75, 76; Oklahoma 75, 76; Texas Tech 75, 76; Iowa State 75, 76; Kansas State 75, 76; Missouri 75, 76; Arkansas 75, 76; Louisiana State 75, 76; Mississippi State 75, 76; Alabama 75, 76; Georgia 75, 76; Florida 75, 76; South Carolina 75, 76; 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# Rowell sends Hill into the England fray

Rugby Union  
CHRIS HEWETT

The long shadow of domestic rugby politics hung heavily over the Five Nations' Championship once again yesterday. Rank and file supporters are beginning to suspect that it might be easier to sort out the future of Hebrion than solve the tedious conflict between Twickenham and its insubordinate senior clubs.

For Richard Hill of Saracens, however, it was a red letter day all the same. The 23-year-old open-side flanker from Surrey will win his first cap for England against the Scots in the Calcutta Cup match on Saturday week. He first announced his rich potential as a pupil at Bishop Wordsworth's School in Salisbury and if his emergence puts to an end the frustrating search for a long-term successor to the great Peter Winterbottom, we can expect to see Jack Rowell, the national coach, sinking to his knees in the middle of Cathedral Close and reciting a prayer of thanksgiving.

England have been hunting high and low for a fast, muscular and physically imposing breakthrough since "Winters" packed it in almost four years ago, and at 6ft 2in and very nearly 16st, Hill has the right dimensions. Whether he has the mental hardness to survive at Test level, only time will tell. At least he has the opportunity to

find out. In theory, that is. Reports that the big white chiefs from Epruc, the umbrella organisation representing clubs in the top two divisions of the Courage League, were renewing their threat to withhold players from international duty in the absence of a final agreement on decision-making procedures in the new professional game removed some of the shine from Rowell's announcement of a new-look side.

However, Charles Levison, the senior Wasps committee man who has negotiated on behalf of Epruc in recent months, said yesterday that the Domesday scenario was extremely remote. "Nothing is being threatened," he insisted. "We were concerned that the documentation we received at the beginning of the month did not

reflect what had been agreed between the two sides in December, but we had a constructive meeting with the Rugby Football Union last Thursday and we expect to iron everything out this week."

Rugby's version of the hush telegraph had suggested that the only way Will Carling would face the Scots would be if every other half-decent centre in the country was ordered by his club to stay at home. As usual, the reports of Carling's demise were seriously premature; for the fourth time this season, Rowell has preferred his former captain to his former protégé, Jeremy Guscott—a decision that will be greeted with bemusement well beyond the narrow confines of Bath, where Guscott was canonised years ago.

Carling will play at outside centre—a position in which his suspect passing will be less exposed—with Phil de Glanville returning, as captain, alongside him. Rowell admitted that de Glanville's position had been as much under revision as everyone else's in the aftermath of last month's shambles against Argentina, but said he was reassured by reports from the Recreation Ground, where Bath put 50 points on Northampton on Sunday.

Two other Bath backs were not so fortunate; as expected, Mike Catt's inability to do the simple things anywhere near as well as he does the difficult ones means a recall for the goal-kicking Paul Grayson—"Mike will develop, possibly as a centre," Rowell said—while Adebayo Adebayo, fit again after concussion, has failed to shift Tony Underwood from the wing berth.

Other changes see Tim Stimpson return at full-back—one of the easiest decisions confronting the selectors—and two positional switches in the back row. Lawrence Dallaglio shifts to his club position of blind-side to make room for Hill, with Tim Rodber elbowing aside Chris Sheasby at No 8.

However, perhaps the most significant selection was hurried among the replacements, where Austin Healey was named as reserve scrum-half. More talkative than Clive Anderson and marginally quicker than Linford Christie, the outstanding Leicester prospect finds himself promoted above Kyran Bracken, who, in turn, had been expected to replace Andy Gomarsall in the starting line-up.

Bracken is now out in the cold—or, at least, in the chilly surroundings of the England A team, who face the Scottish second-string at Harlequins a week on Friday. It is a sure sign of changing times; Healey, still a wing a couple of seasons back, may well be in the full England side by the end of the championship.

**England team**  
v Scotland  
(at Twickenham, 1 February)

T Stimpson	Newcastle
J Stimpson	Bath
W Carling	Harlequins
P de Glanville	Bath, capt
T Underwood	Newcastle
P Grayson	Northampton
A Gomarsall	Wesps
G Rowntree	Leicester
M Regan	Bristol
J Leonard	Harlequins
M Johnson	Leicester
L Shaw	Bristol
L Dallaglio	Wesps
T Rodber	Northampton
R Hill	Saracens

Replacements: J Guscott (Bath), M Catt (Bath), A Healey (Leicester), D Garforth (Leicester), P Greening (Gloucester), B Clarke (Richmond).

## Bath's No 1 target is Woodward

CHRIS HEWETT

Bath, the Courage League champions, are not letting the grass grow under their feet as they seek to replace Brian Ashton, the respected coach who quit the Recreation Ground earlier this month.

Clive Woodward, who resigned his post at London Irish shortly before Christmas, is their top target. Woodward, capped 21 times by England in the early 1980s and a Lion in both 1980 and 1983, watched the West Countrymen put 50 points past Northampton on Sunday and had talks with senior club officials. Bath sources were hopeful of his agreeing terms this week.

If Woodward, who has thriving business interests, decided to commit himself to what would certainly be a high-pressure role, he would strengthen his ties with Andy Robinson, the Bath flanker who took over as chief coach following Ashton's

departure. The two men worked together with the England Under-21 side last season and are still heavily involved in the national set-up.

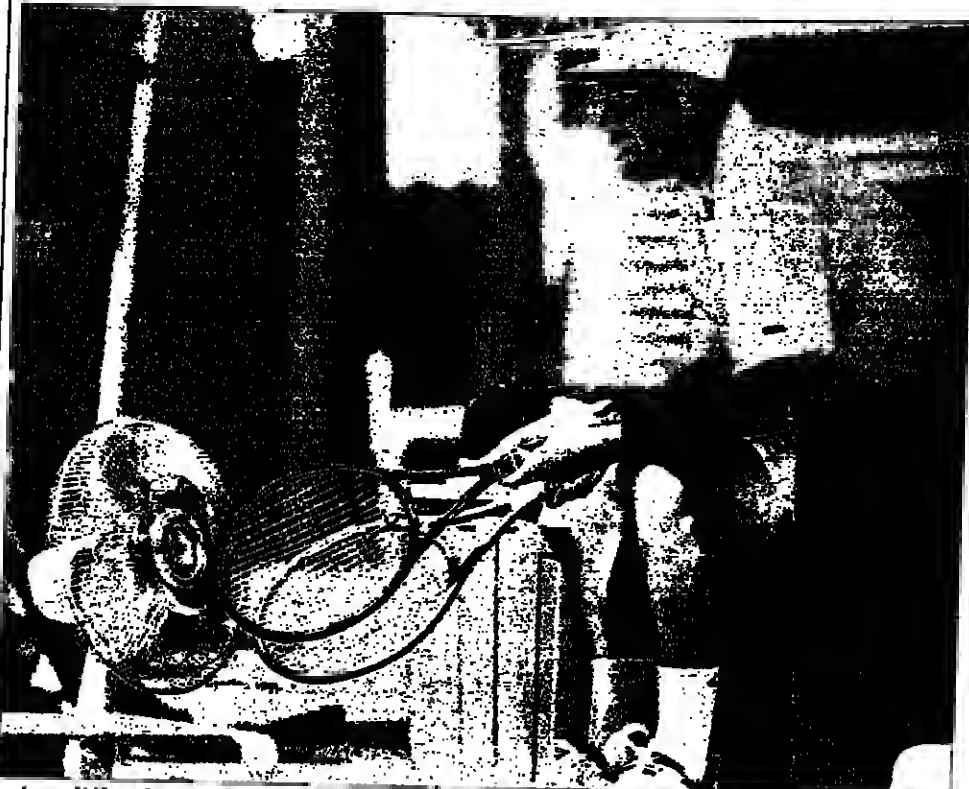
Jonah Lomu is returning to England next month in an Auckland Blues squad chosen for a small tour of Europe as part of their preparations for the defence of their Super-12 title.

The All Blacks captain, Sean Fitzpatrick, the stand-off sensation Carlos Spencer, Fijian fly-half Joel Vidiri and Test No 8 Zinzan Brooke are also on the tour, which starts against Bristol at the Memorial Ground on 13 February (kick-off 7.30pm).

The Blues will also play Harlequins (18 February) and Toulouse (23). The touring side will comprise 13 All Blacks, three former Test players and Fijian and Western Samoan internationals.

**AUCKLAND BLUES SQUAD:** A Cashmore, J Vidiri, J Lomu, B James, E Clorke, L Sierreness, C Spencer, G Luatunga, T Marsh, M Scott, J Tomou, O Brown, P Thompson, C Dowd, S Fitzpatrick, M Jones, A Brown, M Carter, D Miller, J Brodie, R Brooke, R Fromont, C Pritchett, L Lafalala, A Rouse.

## When the heat is on...



...try sitting in the cool blast of an electric fan, under the shade of an umbrella...



or covering your head with a towel and then consume a large draught of iced water...



alternatively, splashing cold water over your head may help. If all fails, slump in a shaded spot and attempt to ignore your 'on fire' feet. Pete Sampras tried the lot in Melbourne yesterday as temperatures rose past 50C. Photographs: Allsport/Reuter/AP

... or you could try a lettuce leaf under your hat

These are hardly salad days for the likes of Steffi Graf and Pete Sampras, who have both found the stifling heat of Melbourne heavy going. But advice to tackle the oppressive on-court temperatures is being offered by the Australian cyclist Alan Jacuone. When the heat is on, he puts a lettuce leaf on his head.

On the day that Sampras sweltered through five sets at the Australian Open, Jacuone completed victory in a five-day race and then revealed the secret of his success.

Munching a salad before the concluding hour-long stage, Jacuone decided to put the lettuce under his helmet. Its high

water content it would keep his head cooler, he reasoned after getting the idea from his Spanish team-mates.

Such Spanish practices would not defeat the other heat victim yesterday: the floodlights, which went out for over half an hour in the match between Thomas Muster and Jim Courier.

## Dalglish brings Raul to Britain

Football  
ALAN NIXON

Kenny Dalglish was overseeing comings and goings at Newcastle United yesterday, acquiring the Portuguese defender Raul and considering Sunderland's £2.5m offer for Lee Clark.

Dalglish has gone abroad to make his first signing, the Under-21 international Raul, who is out of contract at Farense, on a free transfer.

"There have been problems at Farense where I have not been paid," the £2m-rated Raul said. "My contract has now been cancelled and I'm free to go."

The new Newcastle manager, however, has a difficult task deciding Lee's fate after Sunderland met the asking price for the transfer-listed midfielder, who has scored in United's last four games.

The home-grown Clark is still on the transfer list because

he wants regular first-team football, but Newcastle have no obvious replacements.

Sunderland have also been active in Poland, with manager Peter Reid, trying to sign the Polish World Cup player, Marek Citko from under Blackburn Rovers' nose.

Reid has stepped in for the Widzew Lodz striker who met the Rovers caretaker manager, Tony Parkes, last week. But Blackburn are stalling on the deal and now want to take Citko on loan first.

The striker, who scored against England in the World Cup, has rejected that idea and now Sunderland are prepared to pay the £4m asking price.

Gianluca Vialli has put Chelsea minds at rest by pledging his future to the club.

"I am not at all thinking of going away," the former Juventus captain said. "What has happened has been blown out of all proportion because of a couple of phrases a week ago. I believe it is best to re-

main... seated. As the Chinese proverb says 'Seated on the banks of the river, waiting for things to change'."

The smile returned to Vialli's face on Saturday—even though he was on the substitutes' bench—when Dennis Wise scored against Derby County then unveiled a T-shirt which read "Cheer up, Luca, we love you."

The Hartlepool manager, Mick Tait, who quit over the weekend, was back in charge yesterday after being persuaded to change his mind. Tait resigned just three weeks after being officially made manager in a dispute over plans to scrap the club's youth policy.

## Sampras fears for his health

Tennis

DERRICK WHYTE  
reports from Melbourne

Surviving in this Australian Open is no longer just about staying in the competition, it is about staying alive. The searing heat of 50C (122F) has placed a fearsome burden on the players still standing at the quarter-final stage and both competitors and health officials have questioned the wisdom of continuing in such conditions.

Pete Sampras said he was "on fire" during his five-set slog to victory over the Slovak Dominik Hrbaty, but on this occasion it was not his talent that was making sparks fly.

The No 1 seed fears that officials will take action only once someone has become seriously ill. "I think there's going to have to come a point where someone really gets hurt out there to make some sort of rule change," Sampras said after almost losing to the 19-year-old Hrbaty, ranked 76th in the world, in a match lasting nearly three hours.

The unwanted distinction of becoming the player to force that rule change nearly fell to an 18-year-old Briton, James Trotman, whose heart started to "go berserk" during his win in the first round of the boys' event. "I felt terrible after the first set," Trotman said. "The trainer tested my heart beat and it was going berserk."

Like desert explorers the players found that the greatest risks came if they gave up and sank to the ground.

Goran Ivanisevic fell to his knees after winning beating Norway's Christian Ruud in another three-hour battle and then realised it was not a good idea. "That was a mistake. I was almost burned, but I was so tired I had to fall down," he said.

"You cannot try the whole game, otherwise you die; after 10 minutes you're dead. I didn't feel too much in my legs. I was out of it. I didn't know where I was."

On Sunday, the Belgian 16th seed, Sabine Appelmans, had to be placed on an intravenous drip, while a defeated Steffi Graf was treated for heat exhaustion.

Gerald Segal, of the Australian Medical Association,

said: "It could be just a matter of time before someone dies out there."

Under the rules of women's tennis, play can be delayed in extreme conditions. But an appeal by players to postpone their matches yesterday was overruled by the committee which runs the Grand Slam tournaments, saying it was unfair on those who had played the previous day.

The match between the Romanian eighth seed, Irina Spilaea, and the ninth seed, Karina Habsudova of Slovakia, was delayed by 30 minutes while officials reviewed their request.

"We were just asking if it's possible to play tomorrow," Spilaea said after winning 6-4, 6-4.

In men's tennis there are no rules governing extreme heat. Cooling fans were placed beside the courts yesterday and players draped ice-packed towels over their shoulders at the change of ends in an attempt to cool down.

"It was so hot today, it was a joke," Sampras said after eventually winning 6-7, 6-3, 6-4, 3-6, 6-4. "My feet were on fire and we were both feeling it."

On his victory, Sampras said: "There's an old saying, it's better to be lucky than good, and I definitely had a lot more luck than good today."

The fifth seed, Thomas Muster, overcame a series of injuries and a brief floodlight failure to beat the 11th seed, Jim Courier, in a match which lasted two hours 42 minutes and which ended in the early hours of Tuesday. Muster received treatment for shoulder and hip soreness and blisters on the feet during his 6-2, 3-6, 7-6, 6-3, victory.

Age provided some protection against the heat and certainly did not stop 16-year-old Martina Hingis in her drive to become the youngest-ever Grand Slam champion. She survived a first-set scare to beat Romania's Ruxandra Dragomir 7-6, 6-1.

"I just wanted to win this game and I was just so nervous. I don't know why," Hingis said. "I just felt so different because it is a big Grand Slam tournament and there is a little chance—well, there is a big chance—to win."

Results, Digest, page 21

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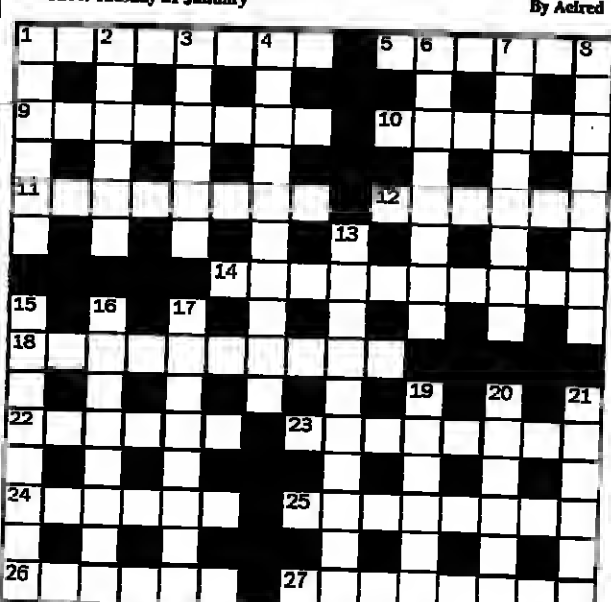
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## THE INDEPENDENT CROSSWORD

No. 3281, Tuesday 21 January

By Aedred

Monday's Solution



1. KICKBACK BROAD  
2. NAME THE GARDEN  
3. M. N. D. A. B. I.  
4. TAILOR WARRIOR  
5. T. E. M. D. A.  
6. NUMERATE START  
7. S. E. T. T. E.  
8. C. E. G. H. E. N. I. T. E.  
9. H. E. R. I. O.  
10. O. U. T. R. A. G. E.  
11. C. H. A. G. R. I. N.  
12. I. R. G. U. M. D. A.  
13. N. O. T. W. I. T. H. S. T. A. N. D. I. N. G.  
14. E. A. T. I. N. G.  
15. R. E. N. E. G. E.  
16. O. N. S. T. A. I. N. E. R.

- ACROSS**
- Game for privatisation? (8)
  - Black pupils in rich group (3,3)
  - Give account of how to remove graffiti? (8)
  - Cry of encouragement about motorist's friend that's listened to (6)
  - Our silly changes will be without reality (8)
  - Broadcast European conclusion (6)
  - Sort out reportedly missing handful of digits (10)
  - Exposing us when subject to a Wagner work (10)
  - Note metal tag attached to young bird (6)
  - Prime Minister embracing one in Hampshire is figment of imagination (8)
- DOWN**
- Joining English hird in New York, a definite item (6)
  - Like a crash course for pilots? (8)
  - Calm observed surrounding king taking Ecstasy (6)
  - Flow from anchorage into swirling Dee gives one an adventure (8)
  - Awful dump that is a source of childish amusement (3,3)
  - Make oneself comfortable in unusual 1st in north-east (6)
  - Harp is played in area served by church (6)
  - Socialist or a right-winger? The answer's found empirically here (10)
  - Longings not to have Japanese money in pay (8)
  - Car is damaged in beastly place where priest may be found (8)
  - Letter problem's a childish phase (8)
  - Put cushions on the market which feature in Cape Canaveral (6,4)
  - They grip the Yorkshire people short of breath we hear (8)
  - Kill off saint's mirth (8)
  - Menacingly promise change of heart with a number of commandments (8)
  - A number gain possibly from pain (6)
  - Tomorrow graduate will collect two articles (6)
  - Get in the way of some dim PE department (6)